



Daily Report

China

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General

Jiang Zemin Interviewed, Notes Various Issues

OW1308124995 Tokyo ASAHI SHIMBUN
in Japanese 13 Aug 95 Morning Edition p 1

[By Yoshito Horie]

[FBIS Translated Text] Beidaihe (Hebei Province), 12 Aug — Jiang Zemin, Chinese president and CPC General Secretary, met ASAHI SHIMBUN President Toshisada Nakae and ASAHI SHIMBUN Chief Editor Akihiro Kanzuka in Beidaihe, Hebei Province yesterday [12 August] morning. Jiang spoke with Kanzuka on such issues as Japan-China relations and international affairs in connection with the 50th anniversary of the end of World War II.

Jiang severely criticized the United States over Taiwanese President Li Teng-hui's recent U.S. visit, saying "the United States should take all blame" for worsened relations with China. Referring to recent moves of Taiwan, Jiang noted vigorously that Taiwan's peaceful reunification with the mainland would become impossible if China agrees to renounce the use of force against Taiwan. Regarding Japan-China relations, Jiang expressed his regret over Education Minister-elect Yoshinobu Shimamura's recent remarks on Japan's wartime behavior, noting "it is regrettable that several Japanese cabinet ministers have repeatedly attempted to repudiate Japan's wartime aggression over the last several years."

Jiang said Japan must face its wartime history and the Taiwan issue in appropriate manners. He hinted China has no intention to immediately stop its nuclear testing, saying "we will stop it when the Comprehensive Test Ban Treaty (CTBT) takes effect."

President Jiang Zemin spent 30 minutes with ASAHI SHIMBUN in an interval between other important meetings. Jiang also submitted a written statement for supplementary explanation.

When asked about China-U.S. relations, President Jiang quoted a Chinese proverb that "an entanglement can be unsnarled only by the person who made it," and called for U.S. actions to settle the difficult situation. As a tangible measure, Jiang said the United States must refuse Li Teng-hui's reentry in accordance with three joint communiquees [in 1972, 1979, and 1982] with China. The U.S. response to the demand will be the focal point of the issue.

Regarding China's position over Taiwan's attempts to independently build up diplomatic relations with foreign countries, Jiang stressed his unyielding resolve to seek a reunification with Taiwan. He said: "We do not drop the possibilities regarding the use of force against Taiwan

because a peaceful reunification will become impossible if we do so. Any attempt to break up our fatherland will turn out a failure."

Touching on the upcoming summit talks of the Asia-Pacific Economic Cooperation (APEC) forum, Jiang emphasized that Li Teng-hui's participation in the Osaka conference is unacceptable, saying "the host nation should strictly follow past meeting practices."

Regarding Japan-China relations, Jiang said "that an appropriate attitude toward historical events is an important factor for the political foundation of bilateral relations, and is an important prerequisite for the promotion of future friendship between the two nations."

Explaining the purpose of China's patriotic youth-education programs, Jiang stated: "The purpose is to provide young people with a correct and fresh knowledge of history: we have no intention to create discord between China and Japan." He added: "Both nations should try their best to maintain a correct understanding of history."

Furthermore, Jiang noted: "I must tell foreign countries that, if they try to establish any kind of intergovernment relationship with the Taiwanese authorities, they will face strong opposition from 1.2 billion people in China." It appeared his severe criticism of U.S. policy was a warning on Japan's future actions concerning the Taiwan issue.

On the other hand, Jiang stressed China's intention to maintain its good-neighbor policy. He said it is unnecessary to think about China's threat. To the United States, he said: "We should find out how we can create a peaceful and prosperous world in the 21st century. There must be a common language for the two nations." To Asia, he said "China has never refused cooperation with any country."

Regarding international criticism of nuclear testing by China and France, Jiang said "our nuclear arms and testing are not intended for any specific nations, and no country should regard those as threats." He then noted he does not think the nuclear issue should be handled as a diplomatic problem between Japan and China.

Responding to a final question regarding how China will maintain stability in the "post-Deng Xiaoping" political scene, Jiang frankly explained his efforts to cope with inflation and corruption, saying: "We have already taken some effective actions, and those problems are going to be settled; however, modernization of a socialist system of a giant nation like China is totally unprecedented, and we have a difficult and long way to go."

'Summary' of Interview

*OW1408103295 Tokyo ASAHI SHIMBUN
in Japanese 13 Aug 95 Morning Edition p 6*

[By Takuro Noguchi: Summary interview with Chinese President Jiang Zemin by ASAHI SHIMBUN Chief Editor Akihiro Kanzuka in Beidaihe on 12 August and written statement to ASAHI SHIMBUN]

[FBIS Translated Text] Beidaihe, (Hebei Province, China) 12 Aug. — **50th Anniversary of the End of the War**

This year marks the 50th anniversary of the world victory in the anti-fascist war and also the 50th anniversary of the Chinese people's victory in the war against Japan. The victory in the anti-fascist war 50 years ago solidified the foundation for world peace, promoted progress in human society, and established an immortal monument in the progress of world civilization.

The Chinese people's war against Japan constitutes an important part of the anti-fascist war. The victory demolished the hopes of the Japanese militarists. The Chinese people created a new era of progress from that life-or-death crisis and established a foundation for national independence and liberation.

Human beings cannot achieve permanent peace and development until they take seriously their experiences and the lessons of history, seek peace, and eliminate the causes of war.

This year is an important year that connects the past and the future. The people of various countries in the world, including China, should think of how to bring a peaceful and progressive world into the 21st century, by earnestly reviewing history 50 years after the end of the war and generalizing about post-war experience.

Through various memorial events, the Chinese Government has encouraged its people, especially youth, to remember history, to take a future-oriented attitude, and to make the utmost effort to realize world peace and an affluent China.

Personal Experience in War Against Japan

In those days, I was a student in Yangzhou. I was very shocked to see and hear about the evil acts of the Japanese aggressors. Each time I saw the tombstone of national hero Shi Kefa in a suburb of Yangzhou with my classmates, I felt a strong anti-Japanese and patriotic emotion and became determined to engage in revolutionary struggle. Chinese and Japanese people should not forget this history and should continue to maintain their friendship from generation to generation.

By doing so, they should contribute to protecting world peace.

Overcoming Questions of History

China and Japan are friendly nations, and only a narrow channel lies between the two countries. The two countries have a 2,000-year friendly history of comings and goings of people. In modern times, however, the history of the two countries is one of misfortunes. In particular, the large-scale war of aggression started by Japanese militarists brought disaster to hundreds of millions of Chinese people and harmed many Japanese people as well. This miserable lesson of history should be remembered forever.

An appropriate attitude toward historical events is an important factor in the political foundation of bilateral relations and an important prerequisite for promoting future friendship between the two nations. We believe that educated Japanese people in various fields and politicians with insight can correctly assess and deal with the past and can protect the political foundation of Chinese-Japanese relations. If they cannot do that, we have no hope for sustainable development of friendly relations between China and Japan, and we cannot truly "bring an end to the past and create the future."

We hope that the Japanese people will abide by the proverb "qianshi bu wang, houshi zhi shi" (past experience, if not forgotten, is a guide for the future). Both nations should positively promote development of bilateral relations.

However, it is very regrettable that several Japanese cabinet ministers have repeatedly attempted, over the last several years, to deny Japan's wartime aggression. Attitudes toward historical events are important factors in normalizing Chinese-Japanese diplomatic relations and in laying a political foundation for bilateral relations.

We have conducted many patriotic education programs this year. The purpose is to provide young people with a correct and fresh knowledge of history. We have no intention of creating discord between China and Japan; rather, the programs are designed to promote friendship among our descendants. The only proper attitude is to have a correct understanding of history. Denying the war of aggression brings no benefit to the future of the two nations. I believe that a majority of the Japanese people opposed the war. If the people fail to take an appropriate attitude toward this most essential question, it will have an extremely adverse effect on the future development of friendship between China and Japan. I believe that the people of the two countries should have a common understanding of history.

Bilateral Relations in the Past Half Century

Since the founding of the PRC, tremendous changes have been noted in the relations between China and Japan. Through joint efforts of statesmen of insight as well as people from various circles, our two countries have succeeded in gradually shifting hostile relations to friendly exchanges.

And 23 years ago, the Chinese and Japanese Governments issued a joint statement on normalizing diplomatic relations between the two countries, thereby putting an end to the abnormal condition existing between us and opening a new chapter in Sino-Japanese friendship.

Since the normalization of the diplomatic relations, the ties between our two countries have been generally favorable: friendly cooperation and exchanges have been promoted in various fields, and new achievements have been made. All such achievements are not only of great benefit to our countries but also of great contributions to stability and development in the Asian-Pacific region.

In recent years, by overcoming various twists, turns, and difficulties and through experiencing trials in the drastically changing international situation, our two countries have been able to maintain the overall trend of stable development in our bilateral relations. Presently, we welcome chances of further development in mutual cooperation and continue to probe new routes and ways for promoting friendly cooperation. The development of mutual cooperation between our two countries is connected not only with peace and development in this region but in the world as well. Its impact is becoming increasingly important day by day.

The Sino-Japanese Relations in the 21st Century

To promote the healthy and stable development of Sino-Japanese relations so as to achieve our friendship in the 21st century, it will be essential that whatever the situation, both countries will adhere to the principles stated in the Joint Statement and the Treaty of Peace and Friendship signed between our two governments; carry out faithfully our own duties and responsibilities; and make efforts to maintain and support the favorable relationship we now share. The orientation of developing bilateral relations as well as the basic principles for handling mutual problems are stipulated in both the Joint Statement and the Treaty. The orientation and basic principles are of great significance in guiding us toward settling correctly and appropriately those issues, be they historical or involving Taiwan, that may have impact on the healthy development of our bilateral relations.

Nuclear Tests

China has called for an overall prohibition and complete abolition of nuclear weapons. As a step toward achieving abolition of all nuclear weapons, China has agreed to prohibit nuclear tests, and has done its best to cut down the number of its nuclear tests.

China has participated with seriousness and sincerity in the negotiations on the Comprehensive Test Ban Treaty (CTBT) held in Geneva, and intends to conclude this desirable treaty by the end of 1996. Once the treaty becomes effective, China will suspend its nuclear tests.

China has long declared that under any situation and at any time, China will never resort to nuclear weapons first nor use nuclear weapons, even as a threat, against any countries or regions that do not possess any nuclear weapons.

China has so far called on other nuclear powers to conclude an international treaty in this concern but has failed to arouse any positive responses.

China itself has been under the threat of nuclear weapons. Under such circumstances, a small number of nuclear weapons that are in China's possession are completely meant for self-defense, and for shattering the nuclear threat. Nuclear weapons possessed by China and nuclear tests conducted by China are not aimed at any other countries, thereby not imposing any threat on any other countries. Therefore, they do not constitute a problem in promoting ties between China and Japan.

Sino-U.S. Relations and Taiwan Issue

The United States is responsible for the current problems in Sino-U.S. relations; Washington should take all the blame for the problems. The United States is supposed to take definite actions to remove problems lying between the two nations.

At the beginning of this year, I reconfirmed basic principles for resolving the Taiwan issue — a "peaceful reunification" and "two economic systems in one nation." However, we do not drop the possibilities regarding the use of force against Taiwan because a peaceful reunification will become impossible if we do so. Any attempt to break up our fatherland will turn out a failure.

Taiwan is an inseparable part of China. Chinese people will accept neither "two China" nor "one China and one Taiwan." Sino-U.S. relations must be promoted by strict observance of the three joint communiques [in 1972, 1979, and 1982], and there is no alternative methodology. Our position is clear on this issue. Any attempt to establish intergovernmental relationship with Taiwan will face strong opposition from 1.2 billion people in China.

The United States is the most advanced nation in the world, and China is the largest developing nation. In the Sino-U.S. summit talks in Seattle [in 1993] and Bogor [in 1994], the two nations defined their responsibilities. We should jointly find out how we can create a peaceful and prosperous world in the 21st century. Judging from overall concepts of the two nations, there must be a common language between them.

A Chinese proverb says that "let him who tied the bell on the tiger take it off (an entanglement can be unsnarled only by the person who made it)." The recent dispute between the two nations would have not happened if the United States had paid respect to the three joint communiquees with China.

APEC Osaka Conference

The primary goal for the Asia-Pacific Economic Cooperation (APEC) conference in Osaka is to discuss how to implement the 1994 Bogor declaration. This is linked to two subjects — liberalization of intra-regional trade and investments and reinforcement of economic and technological cooperation. To achieve the liberalization objective — 2010 for advanced nations and 2020 for developing nations, it is necessary to take steady actions with adequate consideration and respect for varied characteristics of each APEC member under the principles of spontaneity and nondiscrimination.

Promotion of economic and technological cooperation is a very significant role of APEC. It is helpful not only for accelerating liberalization of trade and investment, but also for achieving APEC's ultimate goal to remedy the North-South economic gap. For the time being, international cooperation is especially important in such field as human resources, social infrastructure, and science and technology. I personally hope the Osaka conference will achieve positive achievements under joint efforts by the host nation and other member nations, and I am confident that will come true.

To lead the upcoming APEC summit to success, the host nation should strictly follow past meeting practices established in the Seattle and Bogor conferences. We will not accept any violation of the established standards.

China and Japan have a common desire to improve and enrich Asia in the 21st Century. As the United States is also a member of APEC, I believe we can cooperate with each other for supporting and accelerating economic development of Asia.

Time for Asia

An absolute majority of Asian nations are classified as developing nations. China has a 1.2-billion population, and, according to the government's development strat-

egy, the nation will contrive to reach a middle-ranking economic level in the mid-21st Century. There is still long way to catch up with advanced nations.

At present, the east Asian region is politically stable, and is undergoing constant economic growth. The region has the most powerful economy in the world, and we hope this favorable trend will be maintained in the region.

Domestic Policies for Post-Deng Xiaoping Period

Chinese people are carrying on a great project to construct a reformed, liberalized, and modernized nation under Comrade Deng Xiaoping's theory to seek a Chinese-style socialism. In the last couple of decades, we achieved considerable results.

On the other hand, we have some contradictions and problems in the development process. For example, the nation is suffering from rapid inflation and corruption. We have already taken some effective actions to settle those problems.

Modernization of a socialist system of a giant nation like China is totally unprecedented, and we have a difficult and long way to go. We have a strong resolve to build up a stable and prosperous China in the 21st Century.

Views Japan, History

OWI308044695 Beijing XINHUA Domestic Service in Chinese 0252 GMT 13 Aug 95

[By reporter Yang Guojun (2799 0948 6874)]

[FBIS Translated Text] Beidaihe, 13 Aug (XINHUA) — When interviewed by Toshitada Nakae, president of Japan's ASAHI SHIMBUN, here on 12 August, President Jiang Zemin stressed that correctly approaching the unfortunate history [bu xing li shi 008 1630 2880 0670] of Sino-Japanese relations constitutes an important part of the political foundation of Sino-Japanese relations, and is an important condition for the two countries to face the future and develop friendly relations from one generation to another.

Jiang Zemin said: This year marks the 50th anniversary of the victories in the world's antifascist war and China's War of Resistance Against Japan. "I believe Japanese people of all walks of life and statesmen with foresight correctly understand and approach history and will safeguard the political foundation of Sino-Japanese relations with an attitude of holding themselves responsible to history." He pointed out: Only by doing this can the good neighborly and friendly relations between China and Japan continue to develop and can the two countries genuinely "put an end to the past and explore the future."

Jiang Zemin said: China and Japan are good neighbors separated by narrow waters. We have a history of friendly contacts for over 2,000 years. Unfortunately, the two countries had an "unfortunate history" in modern times. The large-scale aggressive war launched by Japanese militarists, in particular, not only inflicted untold suffering on hundreds of millions of Chinese people, but also immense sufferings on the Japanese people. "This painful historical lesson should be remembered forever."

Jiang Zemin said: The victory in the world's antifascist war 50 years ago laid the foundation for world peace, pushed forward human society's progress, and built an immortal monument in the history of the development of world civilization. The Chinese people's War of Resistance Against Japan was an inseparable, important part of the world's antifascist war. China's victory in the War of Resistance Against Japan crushed the Japanese militarists' hegemonic ambition, ushered in a new historical period for the Chinese nation to head for rejuvenation from peril, and laid the foundation of national independence and liberation.

ASAHI SHIMBUN is one of the most influential major newspapers in Japan. Toshitada Nakae and his party are visiting China at the invitation of the Ministry of Foreign Affairs.

Official Says Beijing 'Ready' for Women's Conference

OW1108131395 Beijing XINHUA in English
1249 GMT 11 Aug 95

[FBIS Transcribed Text] Beijing, August 11 (XINHUA) — Chen Muhua, vice-chairman of China's National People's Congress Standing Committee, said here today that everything is ready for holding the Fourth World Conference on Women after several years of intense but orderly preparations.

"We are now looking forward to the arrival of guests from all over the world," Chen, also leader of the Chinese Government Delegation to the conference, said in an interview with Chinese press here today.

She said that China, as the host country, will provide good services for the coming meeting, take an active part in consultations and strive to achieve good results for the meeting.

In reply to a question on the tasks of the Chinese Government Delegation, Chen said that her delegation will have the following three major tasks:

First, it will brief the whole world on the present situation of Chinese women, government policies and measures to solve women's problems, the achievements

that China has made in this regard and measures for further improving the situation of women.

Second, it will hold active consultations with representatives of other countries and strive to adopt a good Beijing Declaration, a program of action for the realization of the Nairobi Strategy.

Third, make as many friends as possible.

A total of 185 member states of the United Nations will send government delegations to attend the conference, while several thousand non-governmental organizations will take part in the Non-Governmental Organizations Forum, the conference sources said.

"This will offer us a good opportunity to make friends. Through wide exchanges and talks, mutual understanding and friendship between China and other countries will surely be deepened and more people in the world will become acquainted with the Chinese people, Chinese women in particular," she said.

During the interview, which lasted more than one hour, Chen also answered many questions about Chinese women, the protection of women's rights and interests, as well as the role of the All-China Women's Federation in promoting the development of Chinese women.

Clock Built for Conference

OW1108141195 Beijing XINHUA in English
1405 GMT 11 Aug 95

[FBIS Transcribed Text] Xian, August 11 (XINHUA) — China has made a 1,995-mm-high clock worth 1.5 million yuan (about 181,000 US dollars) specially for the UN Fourth World Conference on Women to be held in Beijing this September.

Bearing the inscription "peace and development," the clock will be hung in the conference hall, organizing officials said.

The clock was made by the Grand Changan Culture Industrial Company in northwest China's Shaanxi Province.

Yao Xiu, general manager of the company, said that the clock will be transported to Beijing before August 20.

The height of the clock is a reminder of the year 1995, Yao said.

The clock's body is in the shape of the globe and is a gold-inlaid cloisonne enamel work which illustrates the world's major rivers and borders between countries. It also bears the names of countries and capitals in English.

The clock has a gilded stainless-steel body bearing designs of a mouse, ox, tiger, rabbit, dragon, snake, horse,

sheep, monkey, cock, dog and pig, which represent the twelve Earthly Branches in traditional Chinese astrology.

The base is made of padauk, jade and other precious materials. It has ornamental columns in front of designs of palaces, peacocks, doves and dragons.

Yao explained that the columns and dragons represent China; the four peacocks stand for the fourth women's conference; and the five doves signify wishes for peace expressed by the people in the five continents across the world.

After the conference, the clock will be presented to the United Nations, Yao said.

Weather Service Offered

*OW1308142595 Beijing XINHUA in English
1355 GMT 13 Aug 95*

[FBIS Transcribed Text] Beijing August 13 (XINHUA) — Beijing is to carry out a weather forecast service program during the UN Fourth World Conference on Women in September, CHINA WOMEN'S NEWS reported.

Aimed to provide better service for the conference in Beijing, the organizing committee has recently agreed on the program launched by Beijing Meteorological Bureau.

With a total investment of more than 200,000 yuan (24,000 U.S. dollars) and advanced meteorological instruments, the bureau will offer meteorological situation and everyday weather forecast for the conference in Beijing as well as the '95 Non-Governmental Organization Forum in northeast Beijing's Huairou County.

The free meteorological service is in both Chinese and English versions.

In addition, the meteorological bureau will send a group of meteorological experts to Huairou during the forum, according to the program.

Column Notes 'Failure' of Sanctions Against Iran

*HK1408071595 Beijing RENMIN RIBAO in Chinese
25 Jul 95 ? 6*

[Article by Wang Nan (3769 0589) in the "International Forum" column: "Another Example of Failure of Sanctions"]

[FBIS Translated Text] On 17 July, Iran's Minister of Petroleum Aqazadeh-Kho'l announced in Tehran: "Although the United States has imposed economic sanctions on Iran, not only has the export of Iranian oil not declined, it has instead increased from the pre-

sanction figure of 2.5 million barrels per day to 2.6 million barrels per day at present." He also announced: "In the last four months Iran's revenue from oil was \$850 million more than previously estimated." Judging from the figures provided by the Iranian minister, the sanctions imposed by the United States on Iran are again ineffective.

The United States announced the severing of all trade and investment relations with Iran on 30 April this year. At the time, the United States labeled Iran with two crimes: practicing state terrorism, and seeking to obtain nuclear weapons. America asked other countries, particularly its allies, to support its decision and join in imposing sanctions on Iran.

However, the bulk of Western mass media judged right from the start that America's ban would be "totally impracticable," the basic reason being that "most of the U.S. accusations directed at Iran were unconfirmed," so it would be difficult for America's allies to follow its action. This turned out to be the case. The European Union immediately said it would not take part in imposing sanctions on Iran; France openly refused America's request, saying that it was not advisable to force a country onto a "dead-end street"; Britain said it would not follow America's action; Italy was of the opinion that the U.S. act of imposing sanctions on Iran was not supported by international law; Germany and Japan said they did not want to harm their own economic relations with Iran. Judging from this, in the U.S. decision to impose sanctions on Iran, the seeds of failure were sown right from the beginning.

Even more irritating to the United States is the fact that not only did its allies not take part in the "sanctions," they actually seized the opportunity to snatch business away from American companies. Since the United States broke off its oil trade and economic contacts with Iran, Japan has quietly replaced America as the biggest buyer of Iranian oil. France has also used the opportunity to expand its business; the French company Total recently reached an agreement with Iran on exploiting Iran's offshore oil and natural gas fields. The deal for these two projects had almost been clinched by the U.S. Continental Oil Company, but because of Washington's ban the company had to abandon it. As a result, the duck cooked by the Americans has instead flown onto the plate of the French. Apart from that, recently there was news that Iran and South Africa had reached an agreement for Iran to use South Africa's giant oil drums to store crude oil and sell it on the international market in the next few years, and for the two countries to share the profits. As for the business contracts signed between Russia and Iran, although the United States has exerted pressure on Russia to cancel

them time and again, up to now Russia has not really given in.

Looking at the basic facts, it seems that there is a certain degree of inevitability in the U.S. act of imposing sanctions on Iran having such a pathetic outcome. The world is moving toward multi-polarity, so it is becoming increasingly unworkable to be posturing as the "only superpower" giving orders to everybody whenever it pleases. Besides, since the end of the Cold War, economic factors have clearly been playing a more important part in international relations, so even when countries are allies, one country will not be willing to be subject to another country's political will and sacrifice its own major economic interests for it. One wonders if certain people in power in the United States will be able to learn something from the failure of its act of imposing sanctions on Iran.

ROK Conditions for Sending Rice to DPRK Noted

*OW1108161195 Beijing XINHUA in English
1604 GMT 11 Aug 95*

[FBIS Transcribed Text] Seoul, August 11 (XINHUA) — South Korea will nullify the agreement on rice supply signed with the Democratic People's Republic of Korea (DPRK) if Pyongyang does not agree to hold a working-level meeting in Beijing by Saturday [12 August], the National Unification Board (NUB) said here Friday.

The South Korean government will judge that Pyongyang does not have any intention to return the crew members of the "Samsun Venus," a South Korean rice-carrying vessel currently being detained by the DPRK for alleged spying activities, if the inter-Korean contact is not realized by Saturday, an NUB official said.

Naturally, rice aid to the DPRK and related inter-Korean talks will be suspended, the official added.

South Korea and the DPRK were scheduled to hold the third round of talks in Beijing Thursday to discuss, among other things, Seoul's additional rice aid to Pyongyang and economic cooperation between the two sides.

However, Pyongyang notified Seoul Wednesday that it could no longer hold inter-Korean talks under the situation that a South Korean vessel has been engaged in "spying activities" by taking photographs at a DPRK port.

On Wednesday, South Korea proposed a working-level contact with the DPRK in Beijing on Thursday to discuss the DPRK's detention of the South Korean vessel. Meanwhile, Seoul sent a senior official to Beijing Thursday to attend the proposed contact.

The 9,367-ton ship, loaded with 5,000 tons of rice, left Pohang in South Korea's North Kyongsang Province on July 31 and reached the DPRK's Chongjin Port the next day. The vessel, with its 20-man crew, was scheduled to return home on August 6.

Under the Beijing agreement reached at the first round of talks last June, South Korea agreed to provide 150,000 tons of rice to the DPRK free of charge to relieve the shortage of the staple grain in the DPRK.

The delivery of the rice was set to be completed at the end of August or early September.

"If North Korea (DPRK) does not attend the working-level contact in Beijing, we will judge that it is in violation of the Beijing agreement. We will scrap the entire agreement, which means that we will stop supplying rice to the North and suspend our push for further inter-Korean talks," the official said.

Lancang-Mekong River Valley Talks in Progress

*OW1308134195 Beijing XINHUA in English
1308 GMT 13 Aug 95*

[FBIS Transcribed Text] Kunming, August 13 (XINHUA) — A discussion is being held in this capital of southwest China's Yunnan Province on sub-regional co-operation and exchange between countries and regions along the Lancang-Mekong river valley.

Participants of the meeting are from Thailand, the United States, Britain, Canada, Australia and southwest China's provinces and autonomous regions of Sichuan, Yunnan, Guangxi, Guizhou and Tibet. They have all been invited here to take part in the '95 Kunming Export Commodities Fair.

The five southwestern Chinese provinces and autonomous regions cover an area of 250,000 sq km, over one quarter of China's total, and have a population of 225 million. They have railway, highway, river or air links with seven bordering countries in southern and southeastern Asia.

According to Liu Jing, vice-governor of Yunnan, the connection of Mekong sub-regional co-operation zone with that of southwest China is of great significance to the regional stability and prosperity.

Liu said that the development of the Lancang-Mekong river valley has already begun and the Chinese side will take an active role in the sub-regional co-operation.

United States & Canada

Jiang Zemin Told To Handle Sino-U.S. Ties 'Rationally'

HK1408080995 Hong Kong LIEN HO PAO in Chinese 14 Aug 95 p 6

[Article by LIEN HO PAO Beijing special correspondent Chin Tien-fu (6855 3944 1133): "Military Influence Swells to the Highest Point (Part 1)"]

[FBIS Translated Text] Summer in the northern part of the hemisphere is particularly bright under the scorching sun and many problems have become hotter to deal with than in the past. Within the towering walls of Zhongnanhai in Beijing, the secretaries of Jiang Zemin's and Li Peng's offices are busy preparing material for their leaders to attend the Beidaihe conference. A crucial offensive-defensive battle [gong fang zhan 2396 7089 2069] has started quietly. The air is filled with the smoke of gunpowder. Anyone can recognize that this is going to be the most unusual meeting since 1989.

Following the announcement of the second missile-launching exercise by the People's Liberation Army [PLA], Taiwan's stockholders are busy dealing with the storm in the financial field and the mess caused by strained cross-strait relations. They are also worried about an unpredictable storm in the near future. Statesmen have continuously called for "unity and strength," but they are also not sure about the sudden attack they might face. Suddenly, both sides of the strait are enveloped in a mist of "unclear information."

The Question of Taiwan Is Probably the Blasting Fuse

Sensitive top Beijing levels believe that the upcoming "Fifth Plenary Session" will be an important meeting in determining the "Ninth Five-Year Plan" and consolidating the "Jiang core," while the "question of Taiwan" is likely to become the focus of the conference or the fuse for struggles between different factions. However, the top CPC levels want to handle the "Taiwan question" appropriately at the Beidaihe conference first and will not let it be placed on the agenda of the Fifth Plenary Session.

The mainland's top military levels have remained excited and indignant since Li Teng-hui's return to Taiwan from the United States. Viewed from the Political Bureau meetings held on two occasions by Jiang Zemin aimed at Li Teng-hui's visit to the United States, the tough position of the military has forced the CPC to turn the tune toward Taiwan from "reconciliation" to "struggle."

Because of the stern attacks by the military at the meetings, Foreign Minister Qian Qichen and Jiang Zemin had to make "self-criticisms [jian tao 2914 6062]."

Liu Huqing, vice chairman of the Central Military Commission [CMC], repeatedly pledged to the CPC Central Committee that "the people's army will be under the party's command." He said that a prudent attitude will be adopted on the question of Taiwan. He stated that the PLA is capable of defending the territorial integrity of the motherland and that the matter will be "handed over to the CPC Central Committee for decision." Both Defense Minister Chi Haotian and CMC Vice Chairman Zhang Wannian basically adopted a rational attitude. On the other hand, a number of generals, led by CMC Vice Chairman Zhang Zhen, proposed time and again to the CPC Central Committee that tough means should be taken against Li Teng-hui's act of "Taiwan independence." Unless action is taken at this moment, they said, it will be very difficult to unite with Taiwan. Xu Huizi and leaders of the Nanjing and Beijing Military Regions supported this viewpoint.

On the one hand, the military generals who insisted on taking a tough position jointly wrote to the CPC Central Committee, expressing their determination to "defend Taiwan by force." On the other hand, they planned to amass strength to tell the CPC Central Committee that the PLA can use its military strength to serve as the backing for implementing a tough and suppressing [qiang ying ya zhi 1730 4289 1090 0455] policy toward Taiwan. Their action is directed against the leadership in Zhongnanhai.

Jiang's Control Over the Military Is Not Yet Steady

It is noteworthy that most of the generals who have insisted on taking a tough position are among those who recently received their military titles from Jiang Zemin personally. This shows that Jiang Zemin's control over the military is not yet steady. Even though the military has repeatedly declared that it will follow Jiang Zemin's instructions and the principle of the Army being under the party's command, people of good sense can see clearly that the conservative political forces "emerging" from the military are storming the structure with "Jiang Zemin as the core" because of the handling of the Taiwan question.

In the 70-year history of the CPC, cases of "the party being under the command of the Army" are by no means rare. Jiang Zemin is quite clear on the situation and knows that he cannot have absolute authority like Mao Zedong and Deng Xiaoping even though he assumes the title of "chairman" of several posts. If the problem is not

properly handled, he will likely become the next Hua Guofeng or be driven out of office like Hu Yaobang and Zhao Ziyang. If he steps down from office before Deng Xiaoping's death, the "core leadership of the third generation" supported by Deng will collapse.

Deng Xiaoping's health had taken a turn for the better by the end of July. Besides moving around, reading, and strolling, he could even meet guests. This is good news to Jiang Zemin. Accompanied by his secretary, Jiang Zemin met Deng Xiaoping and gave him an account of PRC-U.S.-Taiwan relations and explained to him the current situation in detail. At Jiang's request for instructions later, Jiang received the directive "handle rationally Sino-U.S. ties and cross-strait relations [li xing chu li zhong mei guan xi he liang an guan xi 3810 1840 5710 3810 0022 5019 7070 4762 0735 0357 1489 7070 4762]."

As a result, Jiang Zemin regarded Deng's directive as the basis for his own policy and instructed the Taiwan Affairs Office and the Foreign Ministry to "handle steadily [wen jian 4489 0256] Sino-U.S. ties and cross-strait relations."

Nevertheless, the feelings of the Army were not pacified. Waves of requests for taking a tough position stormed Zhongnanhai. Chi Haotian's speech delivered on the eve of "1 August" Army Day, the JIEFANGJUN BAO "1 August" editorial, and the second missile-launching exercise were the outcome against such a background. Although RENMIN RIBAO and GUANGMING RIBAO did not carry such strongly worded statements, JIEFANGJUN BAO continued to remain tough. Moreover, the requests, which tended to rise, resulted in the recovery and expansion of the conservative forces. A source said that the current influence of the military can be realized from the fact that even the mainland Foreign Ministry spokesman did not know in advance about the XINHUA release on the second missile-launching exercise in the East China Sea.

Jiang Forces Must Win the Battle

After an evaluation by a number of generals within the military, they insisted that the era of "preferring left to right" has come. Hence, nobody is willing to "lag behind." A research committee formed by the top levels of the Defense Ministry and the State Commission of Science, Technology, and Industry for National Defense even held a meeting to study the "scientific and technological feasibility of attacking Taiwan" and "plans for handling problems after taking over Taiwan." By bypassing the Taiwan Affairs Office and Foreign Ministry, the influence of the military has swollen to the highest point since 1989.

A number of top-level figures believe that Jiang Zemin is facing serious internal problems and that Beidaihe is the best environment for contacts and coordination. If he yields to the military, he is likely to face the problem of losing his control over the Army. Besides long nights fraught with dreams in the future, it will be difficult for him to effect a smooth transition after Deng's death. For this reason, he must win the battle. Thus, it is inevitable that Zhongnanhai will be filled with the heavy smoke of gunpowder.

TIME Article's 'Anti-China Fallacy' Refuted

OW1408055895 Beijing XINHUA Domestic Service
in Chinese 0226 GMT 13 Aug 95

[FBIS Translated Text] Beijing, 13 Aug (XINHUA) — The LIAOWANG weekly to be published on 14 August carries a signed article entitled "A Cold War Knight's Ravings," sternly refuting an American Cold War knight's recent fallacy of attempting to contain and subvert China.

This Cold War knight's anti-China fallacy was published in the U.S. weekly TIME, published on 31 July.

The LIAOWANG weekly's signed article says: At a time when the United States' China policy wavers regressively [ni xiang 6627 0686], this American Cold War knight brazenly submitted to the Washington administration a blueprint for a China strategy with the keynote of "containing" and "subverting" China. Apparently, this blueprint's drafter simply wants to push the United States' China policy further to the edge of a precipice, using the momentum of sliding Sino-U.S. relations.

The article says: This Cold War knight urges the United States to "establish ties with China's neighbors." In other words, he wants to form the countries around China into a circle of containment, or a surrounding circle. To this end, he urges the U.S. Government to "extend the U.S.-Japanese alliance," to "be obsequious to the Russians," and, from a "geopolitical" angle, make all countries around China in Southeast Asia, northeast Asia, and south Asia "U.S. friends (to contain China)."

This knight adds: "Simply containing China is not enough, more importantly, we must subvert China." "We must absolutely not waver in supporting dissidents like Wu Hongda [Harry Wu]."

He also demands that the U.S. Government impose economic sanctions against China," and keep China "out of the international community," in such ways as "not letting Beijing sponsor the 2000 Olympic Games," "not allowing China to join the World Trade Organization on China's terms," not allowing Beijing to sponsor

international conferences such as the World Women's Congress, and so forth.

The article says: This Cold War knight's talk is not only "arrogant," but also is completely "preposterous." Not only will Asians not support the idea of bringing all China's neighbors into the U.S. strategy of containing China, but also the United States' European allies, and even many American people, will think this is wishful thinking. China's prosperity is an important condition for the economic development of the Asia-Pacific region, and even the world as a whole; and it is a positive factor for maintaining stability in the Asia-Pacific region. This has become a common understanding among people within political and economic circles of all countries in the world.

The article says: As for subverting China, this is an idiot's gibberish. China today is no longer the weak and frail China of over 100 years ago. Those Chinese "dissidents" cherished by American Cold War experts not only have no influence whatsoever in China, but also are held in contempt by many Chinese nationals living overseas. Chinese people who had been bullied by imperialist powers for over a century have a stubborn temperament, and we despise those who count on foreigners to increase their importance, who are groomed by foreigners to go against their own motherland, and who have conducted this or that misdeed.

The article says: There are indeed some people like this Cold War knight in the United States. Some, who somehow feel they are ethnically superior, regard China to be as threatening as floods and ferocious animals, and they would not feel comfortable until they have strangulated us, and the move "should be started early," and not delayed until China becomes strong.

The article notes: There are also many sensible people in the United States. They believe that "maintaining constructive relations with a strong, open, and prosperous China is in the interest of the United States." This shows that many Americans are still sober-minded."

*U.S., Asian Human Rights Differences Noted

*Beijing XIANDAI GUOJI GUANXI
[CONTEMPORARY INTERNATIONAL RELATIONS]
in Chinese 20 May 95 No 5, pp 18-22*

[Article by Hong Guoqi and Wang Xiaode of Nankai University: "Clinton's Asian-Pacific Policy Thwarted by Cultural Factors"]

[FBIS Translated Text] When Clinton assumed power, key U.S. government official Wharton, when setting forth the new government's foreign policy, stressed:

"Human rights is the core of our policy. The U.S. will direct its aid and influence in every way possible to enable these nations to advance human rights and strengthen the democratic institutions which promote the rule of law (1)." Wharton's words state a trend in cultural values as it really is when the U.S. government formulates and carries out foreign policy. This cultural trend in cultural value of the Clinton administration naturally is also reflected in its policy towards Asia. However, this policy which clearly has an "export of culture" has been met with resistance from Asian nations whose cultural traditions are widely different from the U.S. Not only has it led to the Clinton administration's Asian policy having very little effect, but there have been times when it has brought about results that were just the opposite of what the U.S. had wished. It has become a major roadblock that has affected U.S. relations with Asian nations.

I.

Although the concept of exporting one's own cultural values abroad also exists in the diplomacy of other major nations or superpowers, there is no country in the world as fervent as the U.S. in the "export of culture," and as persistent. The U.S. government judges other nations' actions and cultural traditions by its own standards of right and wrong. It spreads the concept of U.S. values through various means and urges or forces other nations to accept the U.S. standards of a democratic system and "human rights." This trend in values no doubt stems mainly from strategic considerations, but there are deep historical roots in the main body of U.S. culture. The sense of mission (also called the sense of destiny) is an ideological reflection in U.S. culture of the fatalism of white Anglo-Saxon puritans. They believed they were God's constituency and that the North American continent was the "pure land" where they could realize the ideal of their own religion. Along with the gradual opening of the North American continent, this place became the ideal place for freedom seekers who were avoiding persecution in the old country and was already the latent consciousness of most immigrants. Its superior geographic location and abundant natural resources made many people begin to realize the uniqueness of the North American continent as well as the mission for which the people who came to this land were responsible. Their consciousness of carrying out a special mission in the world took deep root among the Americans while culture became the one major standard for American whites when differentiating between the U.S. and other areas of the world. It also became the "ideal" they regarded for God's constituents to pursue in this mortal life. Because of this, when the U.S. starts to handle relations

with countries whose form of government is different from their own, this concept of values is inevitably reflected in its foreign policy. They demand that other nations accept the U.S. form of a democratic system and that it become a main component. The U.S. attitude of "world savior" manifested in the realm of foreign affairs can be found in the vestiges of history of its culture. No doubt, the U.S. policy makers who were strongly nurtured under this type of culture hoped without exception that the U.S. would become the "New Jerusalem" for the entire world. Washington's "Holy Torch," Jefferson's "Democratic Ideal," Wilson's "14-point Plan," Roosevelt's "Four Great Freedoms," as well as the series of so-called "-isms" put forth by the U.S. after World War II to deal with the international "threat" of communism all ideologically reflect this trend in values. In the words of former U.S. President George Bush: "In two centuries, the U.S. has set an example of freedom and democracy for the world. In the coming decades, the U.S. will lead the glorious fight to preserve and expand freedom." Words like these can be found everywhere in U.S. diplomatic documents. After the Cold War ended, the world not only did not enter a time of peace and prosperity, but, on the contrary, the international situation became even more complex. Facing challenges to its world leadership position from various sides, the United States put even more emphasis on the role of cultural influence.

II.

When Clinton campaigned for the presidency, he talked a lot about how, after assuming office, he would pay even closer attention to promoting democracy and human rights abroad than his predecessors. After he was in power, the tone of this platform came to occupy a prominent position. He pronounced: "The foreign policy of this administration will be based on democratic principles and the democratic system; promoting world democratic revolution is the primary strategic principle of the U.S.", etc. When the Cold War ended, not only was it difficult to ascertain who was really the winner, but the tremendous changes in Eastern Europe and the breakup of the Soviet Union made the U.S. public and government even more conscious of the importance of spreading U.S. ideology abroad and cultural values. Thus, in his inaugural speech Clinton pointedly said that the greatest strength of the U.S. is its ideological force. He said "the community of market system democratic nations" should be popularized as the "expanding strategy" for the entire world to replace the global "containment strategy" of the Cold War era. This strategy was afforded special emphasis in the 1994 U.S. National Security Report which viewed facilitating democracy abroad as equally important as U.S. security and economic

growth. Also, it was classified as one of the three major cornerstones of U.S. foreign policy. Of course, these three are really not of equal rank, but they are closely related and mutually complementary. U.S. policy makers believe the policies adopted by democratic nations after the Cold War ended would be even more beneficial to the realization of U.S. interests. In the "Presidential Statement" of the above-mentioned report, Clinton asserted: "It is not very likely that democratic nations will threaten our interests, but it is more likely that they will work together with us. In this way, we can deal with threats on security aspects and promote continuous growth. Secure nations are more likely to safeguard the democratic structure and maintain free trade (2)." U.S. National Security Advisor Anthony Lake put it in even more concrete terms: "The spread of democracy will help solve all other U.S. foreign policy problems." Muravchik also believes, "Democracy or the spread of the democracy movement will inevitably benefit the U.S. (3)." The Asian-Pacific region appears increasingly important in the global strategy of the Clinton administration. The U.S. 1994 National Security Strategic Report pointed out: "Asia is a region that is increasingly important to the security and prosperity of the U.S. In any other region, our three overall strategies are not as closely linked as in this region. The needs that require the U.S. to continue to participate in (other regions) are also not as evident as they are in this region. Security, opening markets, and democracy now, compared to any time in the past, are all more closely interrelated with our attitude towards this bustling region." Clinton seriously views the Asian-Pacific region as not only important in terms of security and economic interests, but regards it as a tradition of U.S. foreign affairs and a means to achieve his Asian-Pacific strategy. Exporting "democracy" and promoting "human rights" naturally will be fully reflected in his Asian-Pacific policy. Additionally, during the Bush administration, U.S. Secretary of State James Baker put forth the "fan-shaped" concept of Asian-Pacific security. An important part of it was promoting the growth of the "democratization" trend in this region, deepening the concept of common values, and strengthening the ideology of the community. After Clinton assumed office, he put forth the conception of a "New Pacific Community." In the words of Clinton, "Imagine a new Pacific Community based on shared strength, shared prosperity, and a common commitment to democratic values." In a speech he gave when he visited Seoul in 1993, he pointed out, "The spread of democracy" is the Asian-Pacific region's "top guarantee for achieving regional peace, prosperity, and stability" and is the "best guarantee" for human rights. He asserted that we must by any means "make nations that are on the road to democracy feel encouraged and

make those nations that reject democracy pay a price." Although this policy may not necessarily be successful in the Asian-Pacific region, Clinton has steadfastly not abandoned the diligent pursuit of this goal. Prior to attending the second informal meeting of economic leaders at the Asian-Pacific Economic Cooperation (APEC) forum in Indonesia in 1994, in a speech at U.S. Georgetown University, he said that the U.S. does not have to make a choice between human rights and Asian trade. He said, "Promoting human rights and democratic values also requires a strengthening of relations between governments; therefore, I will, with no regrets whatsoever, promote these rights and values in Asia and the entire world (4)." After he arrived in Jakarta, he again said: "We still firmly believe that the strengthening of trade relations among all nations can contribute to breaking the shackles of oppression. Along with each nation becoming more open economically, they would also become more open politically." He stressed that the U.S. plays a major role in winning the struggle for freedom and democracy worldwide. "We can not deviate from this undertaking, and from now on we will never deviate from this undertaking (5)." Driven by this ideology and with the aid of the powerful U.S. economic strength, the Clinton administration linked trade, investment, and technology transfer to the Asian-Pacific region with democracy and human rights. If frequently used most-favored-nation (MFN) status and economic sanctions to put pressure on several Asian nations in attempts to force them to accept various conditions put forth by the U.S. In boycotting China's bid to host the Olympics in the year 2000 and on the issue of MFN status, the U.S. wanted China to accept its human rights standards. It forced nations like China, Indonesia, Malaysia, and Thailand to accept conditions put forth by the U.S. on such issues as laborers and intellectual property in attempts to make western standards and concept of values the leading regional forum for the Association of Southeast Asian Nations (ASEAN), and made it an instrument for interfering in Asian-Pacific affairs. All such instances, without exception, show the power politics of the U.S. and it has become the primary source of dispute between the U.S. and Asian nations. In the words of Harry Harding, a U.S. research specialist on East Asian issues: "The biggest problems were emerging in the area of human rights. Although the Clinton administration had originally said that human rights would only be one of the three central American interests in Asia, the administration came to regard the promotion of human rights as its highest priority, such that it became the principal issue in U.S. relations with China, Singapore, Malaysia, and Indonesia (6)." The Clinton administration also allocated \$30 billion in preparations for establishing "Radio Free Asia." In 1994, \$2.5 billion

were used for the global "democratic plan" budget. A fairly large portion of this was allocated to the Asian-Pacific region. These Clinton administration practices reflected the trend in values of "saving the world" and "sense of mission" firmly entrenched in U.S. foreign affairs. This trend of values serves the economic and political interests of the U.S. Malaysian Prime Minister Mahathir sharply pointed out: "Developed western nations demand that East Asian nations establish a system of human rights and democracy, but they do not want Asian nations to be strong or become their competitive opponents." Although these words were not directed only at the U.S., using this to judge the actions of the U.S. in the Asian-Pacific region affords ample food for thought.

III.

Speaking of the spread of culture, cultural exchanges carried out on an equal basis among nations are beneficial to learn from each other's strong points, to offset their weaknesses and to promote friendship. Speaking from the point of view of undeveloped nations, attracting the culture of developed nations can make the traditional culture of its own country adapt to the needs of modernization. Equal cultural exchanges can contribute to nations of differing cultural traditions finding common ground while reserving differences on numerous issues. The Clinton administration's pursuit of U.S. standards of values in the Asian-Pacific region really has not been a mutually beneficial cultural exchange on an equal basis, but has been a cultural infiltration of a forceful nature. It does not take into consideration the current conditions and cultural traditions of Asian nations and is completely dominated by its own standards. The results inevitably lead to more and more Asian nations resisting this cultural infiltration. In recent years, the economic growth in the Asian-Pacific region has caught peoples' attention. East Asian nations are even farther ahead. The unique cultural traditions of many Asian nations are regarded as a latent social force and increasingly show its significance. Because of this, results in two areas are produced: One, it aroused a sense of national pride in the cultural traditions of their own country in many Asian nations; thus, they started to conscientiously resist the forced intrusion of the western concept of values. Malaysian university Professor (Qian-dela Mo-za-faer) said: "Several thousands of years of philosophical ideologies and traditional customs have already formed in this region of the world. These ideologies and customs embody humanity and the dignity of people, such that they have a deep-rooted concept of human rights (7)." When he made the primary speech at the opening ceremony of the 26th annual meeting of the Chinese Journal Association, Lee Hsien Loong, Singapore's

deputy prime minister, pointed out: "The cultural traditions of East and Southeast Asian nations have provided a sense of social values which strengthens the basis for economic growth; thus, it has helped bring about the current amazing growth (8)." Second, it spurred many Asian nations to look into a growth model based on their common cultural traditions. An article titled "Heading for New Asianism" written by French magazine "Le Monde" reporter based in Tokyo, Phillip (Peng-Si), pointed out, the trend of using another modern model to replace the western modern model is a clue of an Asia of tremendous change' manifesting itself. Davy (?Greece? / Ge-Li-Si), U.S. Asian Strategy Advisory Corporation chief executive officer, said, what we emphasize is individual rights and free markets. They attribute the success of their high rate of growth to these limits and the right way of economic management of individual freedom (9)." Because of this, when the U.S. demands that Asian nations follow its growth model, it actually leads to the current heated cultural conflicts. While receiving the visit of Zakaria, editor in chief of the U.S. quarterly publication "Foreign Affairs," Singapore Senior Minister Lee Kuan Yew said in a firm tone: "Tell the American people that whatever problems exist in their system is not my business. What I want to say to them is, don't indiscriminately impose your own system on those societies who are incapable of adapting to this thing (10)." Malaysian Prime Minister Mahathir was even more direct when he pointed out that the Asian human rights issues can only be solved by the respective nations. They don't have the right to flagrantly criticize Asia's human rights problems. He wrote a book with Japanese scholar (Shi-Yuan-Shen Tai-Lang) titled "*An Asia That Can Say 'No': Dealing with the West's Cards.*" The book points out: "If the U.S. continues to force the Americanization of Asia, we must respond to this. Asia's culture and civilization is even more long-standing than America's. Speaking in terms of civilization, I dare say that forming a unified Asian front against America is probably a necessity (11)." The above-mentioned facts are a serious challenge to U.S. "authority" in Asia, causing the Clinton administration's Asian-Pacific policy to be in a predicament in all respects and crisis-ridden. Under pressure from inside and out, the Clinton administration has no choice but to carry out some revisions to its Asian policy and adopt some concrete practices in order to avoid, as far as possible, intensifying problems with Asian nations. For instance, on the issue of Chinese MFN status, it could announce it will not tie MFN status to human rights; it could take the initiative and invite the Malaysian and Indian Prime Ministers to visit the U.S. etc. Compared to previous practices, these would be regarded as sensible acts. However, there really are no indications that the basic attitude, ways, and

goals of the U.S. have changed at all in their dealings with Asian-Pacific affairs. The U.S. could still judge the actions of Asian nations with their own concept of cultural values, exert pressure on Asian nations with their own human rights standards, and impose their own political economic development model on Asian nations. However, this act of ignoring the sovereignty of other nations not only ignores that each country chooses a different path of development because of differences in cultural backgrounds, but what is even more important is it creates a barrier in the growth or normal relations between nations. Ultimately it can only arouse an intense resistance from those countries being interfered with. History has already proven this point and reality, also, illustrates this point.

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Northeast Asia

Further on War of Resistance Against Japanese

Germ Warfare Survivors Speak

OWI208144295 Hangzhou ZHEJIANG RIBAO
in Chinese 30 Jul 95 p 1

[By ZHEJIANG RIBAO reporters Feng Feifei (7458 5481 5481) and Shi Yang (2457 2254)]

[FBIS Translated Text] On the morning of 29 July, a Japanese team investigating Japanese troops' use of bacteriological warfare during their invasion of China arrived at Congshan Village, Jiangwan Township, Yiwu city, to conduct an on-the-spot inspection of Japanese troops' inhuman and atrocious crimes in Yiwu decades ago.

More than 50 years ago, the invading Japanese troops carried out heartless bacteriological warfare in China. Zhejiang Province was one of the worst-hit places

in China. The Japanese used germ warfare twice, unprecedently causing a brutal plague that killed countless Chinese compatriots. Yiwu was one of the worst disaster areas in Zhejiang Province.

While meeting with witnesses and survivors of Japanese bacteriological warfare at Congshan Village's Zhonghe ancestral temple, Masataka Mori, on behalf of the Japanese team, extended respects to five elderly men and apologized for crimes committed in China by the Japanese militarists decades ago.

Masataka Mori said sincerely: "We believe that heaven and earth forbid crimes such as bacteriological warfare. However, as of today the Japanese government still does not admit the crimes committed by Unit 731 at that time. Therefore, the Japanese school textbooks do not record the crimes. We intend to rectify this part of history that has been distorted and falsified in Japan, return it to its original form, and tell the truth to Japan's next generation so that they will never take up arms again." He earnestly requested the old people to recall in detail the cruel suffering of 50 years ago.

Relevant materials show that one September 1942 evening, invading Japanese planes circled low over Congshan Village, spraying a cloud of a foggy substance. Several days later, dead rats appeared everywhere in the village, and the plague began to spread. Within three months, a total of 386 villagers died, and the highest number of people who died within a single day was 20. All the members of 18 households were wiped out.

Wang Da, a 68-year-old man, recalled details of scenes at that time. He said: "We could hear wailing everywhere across the village. Every day we saw corpses being carried out to be buried. We did not hear a cock crow in the morning or a dog bark in the evening. All the villagers were inside their houses before the sun set."

Pointing at Wang Rongliang beside him, Wang Da said: "Eight members of his 13-member family died."

The 68-year-old Wang Rongliang was infected by the plague. He said sadly and resentfully: "Four members of our family were sick overnight. Later the plague killed my mother, father, four younger brothers, aunt, and sister-in-law." Today, they clearly and specifically remembered events that happened some 50 years ago as if they had only occurred yesterday. We can imagine how devastating it was.

Two months later, the Japanese bacteriological warfare unit surrounded Congshan Village, burned all the houses there, and dissected living human beings at the Linshan Temple, three kilometers away from the village.

Wang Rongliang recalled: Wu Xiaonai, an 18-year-old girl, was blindfolded and tied to a chair. Her abdomen was cut open and her internal organs, including the lungs, were taken out. Wang Rongliang said: "Wu Xiaonai's screaming shook the Linshan Temple...[ellipses as published]. When the Japanese devils burned the houses, smoke was everywhere. The sun became pale and looked like the moon."

The old men added: The plague at Congshan Village also spread to several nearby villages.

Unable to control his emotions, Wang Jinchang, a 78-year-old man, said: "We can never finish talking about the crimes committed by the Japanese soldiers and our suffering. All these facts are irrefutable."

A 69-year-old Wu Ruwen purposely came from Jingtoushan Village, three li away. In 1941, he went to a Fotang market with his mother. The Japanese soldiers dropped a bomb, killing 162 people. Taking off his shirt and showing a scar of the size of a bowl on his back, he said: "My back was blasted so badly that others could see my internal organs. My mother was blasted into small pieces. Fragments of corpses were floating everywhere along the Yiwujiang River."

They made their accusations with their blood and tears as well as heaps of irrefutable facts. The atmosphere at the ancestral temple was quiet, and the people there were pensive and serious.

Masataka Mori and others had visited Yiwu as early as in 1991. In 1994, he and others jointly published a book entitled Invasion of China and the 731 Unit's Bacteriological Warfare, describing the Japanese military's germ warfare in Yiwu. Masataka Mori said: "All your statements have further clarified the facts. We have improved our understanding of the crimes committed by the invading Japanese troops in China. We have firmly registered their crimes in our minds. After returning to Japan, we will definitely convey the message to the Japanese people, especially young Japanese, so that they will know the truth."

Yumiko Sato, a 47-year-old team member and singer, sang in Chinese at the ancestral temple a song that was popular during the War of Resistance Against Japanese Aggression, "Along the Songhuajiang River": "My house is by the Songhuajiang River in northeast China. There are forests, coal mines, and ..." [ellipses as published]. All the attending villagers quietly listened to the song, appreciating this song with special meaning, sung by a special singer at a special time and place.

Later, the team also visited the Linshan Temple, where the Japanese troops performed vivisections 50 years ago, and the nearby Taxiazhou Village. The team members

also paid respects to the National Disgrace Monument in front of the Linshan Temple.

During their inspection, all the team members unanimously said: "We shall never distort history. Amending or distorting history means this part of history will recur in the future. Only by earnestly facing historic facts can we educate the next generation with truthful history in its original form. That is the way to facilitate the foundation of Japanese-Chinese friendship."

The 11-member Japanese team consisted of professors, teachers, civil servants, medical doctors, and college and high school students. The team left Yiwu on the afternoon of 29 July. They will reach Harbin by plane in the next few days and attend an "International Forum on Unit 731 — a Peaceful Discussion Meeting Against Invasion and War," intending to expose further the Japanese militarists' crimes.

Germ Warfare Researched

*OW1108154095 Beijing XINHUA in English
1532 GMT 11 Aug 95*

[FBIS Transcribed Text] Harbin, August 11 (XINHUA) — During World War II Japan not only established a germ warfare unit, numbered 731, in northeast China, but also waged germ warfare in Beijing, Nanjing, Dalian and Southeast Asia, according to the latest research findings of Chinese and Japanese scholars.

The scholars publicized their research results at an "Oppose Invasion and Maintain Peace" symposium held in this capital of northeast China's Heilongjiang Province.

"The Japanese Unit 731, stationed in Harbin, experimented with various kinds of germs on live human bodies, and its headquarters was finally developed into the world's biggest germ warfare base, with 3,000 staff members and advanced facilities," said Xin Peilin, deputy head of the History Research Institute of the Heilongjiang Academy of Social Sciences.

"Meanwhile, Japan set up similar germ warfare units in Beijing, Nanjing, Guangzhou and other places. I can definitely point out the names and numbers of these units," the research fellow added.

These units concentrated their efforts on cultivating bacteria and making germ experiments, and researching germ warfare techniques.

A germ warfare unit stationed in Beijing openly announced that it possessed enough cholera germs to kill everybody in the world. It sprayed cholera germs in Beijing in August 1938, killing more than 300 people.

According to the work diaries written by officers of Japanese germ warfare units, they conducted various kinds of biological experiments in northern, central and southern parts of China, and they produced plague germs, which they sprayed on residents of China's northeast region.

"Japan once planned to wage germ warfare in the Philippines, Australia, Hawaii and Burma from 1942 to 1944, and it sanctioned germ warfare on Saipan and Guam in 1944," said a Japanese professor at a war responsibility reference center.

"According to the documents, it is clear that germ warfare was sanctioned by the Japanese emperor and military commanders," he emphasized.

In addition, researchers recently found that a psychiatric hospital in Singapore had been used by a Japanese germ warfare unit during the war, and the number of the people killed by the 731 unit would surpass 10,000 instead of the 3,000 admitted by Japan.

In fact, with large numbers of subsidiaries and experimental zones, Japan established a strategic network of germ warfare across China and Southeast Asia.

Further on Warfare

*OW1108140895 Beijing XINHUA Domestic Service
in Chinese 0345 GMT 10 Aug 95*

[By reporters Gao Shuhua (7559 3219 5478) and Chen Kaixing (7115 0418 2502)]

[FBIS Translated Text] Harbin, 10 Aug (XINHUA) — The newest discovery by Chinese and Japanese scholars showed that during World War II, Japanese troops established the 731 Bacterial Unit [xi jun bu dui 4798 5497 6752 7130] in China's Harbin. The discovery also showed that Japanese bacterial units, dubbed as "devils in white", carried out their tasks in Beijing, Nanjing, Guangzhou, and Dalian and as well as Southeast Asia. This is a story just learned from a "Discussion Meeting on Opposing Aggression and Safeguarding Peace", which was held here recently. The meeting was attended by more than 100 people, including Chinese and Japanese scholars, retired soldiers of the former 731 Bacterial Unit, and war victims.

Researcher Xin Peilin, who is also a deputy director of the Institute of History under the Heilongjiang Provincial Academy of Social Sciences, clearly listed their names and unit numbers as follows: For the unit in Beijing, it was called "Epidemic Prevention and Water Supply Unit of the North China Expeditionary Force" [hua bei pai qian jun fang yi gei shui bu 5478 0554 3175 6680 6511 7089 4004 4822 3055 6752], that is,

"Bei Zhi Jia 1855 Bu Dui" [0554 2388 3946 "1855" 6752 7130]. For the unit in Nanjing, it was called "Epidemic Prevention and Water Supply Unit of the East China Expeditionary Force" [hua dong pai qian jun fang yi gei shui bu 5478 2639 3175 6680 6511 7089 4004 4822 3055 6752], that is, "Rong Zi 1644 [unit number] Bu Dui" [2837 1316 6752 7130]. For the unit in Guangzhou, it was called "Epidemic Prevention and Water Supply Unit of the South China Expeditionary Force" [hua nan pai qian jun fang yi gei shui bu 5478 0589 3175 6680 6511 7089 4004 4822 3055 6752], that is, "Bo Zi 8604 [unit number] Bu Dui" [3134 1316 6752 7130]. Under the name of epidemic prevention and water supply, all these units carried out their major task of cultivating germs and bacteriological experiments on living persons. They all engaged in the study of weapons and methods used in bacteriological warfare.

Xin Peilin: It was discovered recently that, during World War II, a mental hospital in Singapore, on the southern tip of the Malay Peninsula, was a place used by "Gang Zi 9420 [unit number] Bu Dui" [1481 1316 6752 7130], a secret bacteriological unit under the Japanese "Southern Army." Having many subunits and experimental laboratories under them, these units in fact had formed a gigantic strategic bacteriological warfare network across China and Southeast Asia.

Chinese and Japanese scholars at the meeting gave a large number of examples to show the acts of cruelty and great damage done to Chinese people by these Japanese bacteriological units. They held that the number of Chinese military personnel and civilians as well as antifascist Mongolian, Korean, U.S., and Dutch warriors killed by the 731 Bacterial Unit should be more than 10,000 people, instead of only 3,000 as confessed to by Japanese war criminals.

Professor Yoshiaki Yoshimi of Japan's Chuo University also revealed that the Japanese troops did plan to carry out bacteriological warfare in the Philippines, Australia, Hawaii, Burma, Guam, and other places from 1942 to 1944. He also revealed that a plan to carry out bacteriological warfare in Saipan and Guam was approved in 1994. He also emphatically said that, judging from the operations logs written by the officers of then Japanese troops, one can clearly see that such bacteriological warfare was carried out with the approval of the Japanese emperor and army leaders.

Book on Crimes Published

OWI308084895 Beijing XINHUA in English
0832 GMT 13 Aug 95

[FBIS Transcribed Text] Tianjin, August 13 (XINHUA) — The crimes committed by Japanese invaders in the

Second World War in its occupied areas in north China was revealed in a new book published by the Beijing Publishing House recently.

The book, totalling 800,000 Chinese characters, was compiled jointly by social scientists in Beijing and Tianjin.

It collected 300 original historical files picked up from tens of thousands of archives left over by the former Kuomintang government and invading Japanese troops.

It gave an all-round account of aggression and plunder by Japanese invaders in the spheres of mineral resources, commerce and trade, finance and labor.

Chief editor of the book, Ju Zhifen, said that Japanese troops took away from China more than 120 million tons of coal, 4.5 million tons of iron ore, 10 million tons of salt and a great amount of other minerals as well as millions of laborers in its invasion of China.

Book on Persecution Published

OWI208085295 Beijing XINHUA in English
0837 GMT 12 Aug 95

[FBIS Transcribed Text] Shijiazhuang, August 12 (XINHUA) — A book depicting the persecution of Chinese laborers by Japanese invaders during the war of resistance against Japanese aggression (1937-45), based on reminiscences, files, and historical materials, was published here recently.

According to the book, Japanese invaders sent a large number of Chinese from occupied areas to do hard labor in the northern and northeastern parts of China and Japan, where they suffered hardship, persecution, and illnesses.

The Shijiazhuang Concentration Camp in northern China alone held 50,000 laborers, two-fifths of whom died from torture and starvation from 1939 to 1945.

The book also described the heroic deeds of Chinese laborers against Japanese invaders.

Religious Groups Mark War

OWI408093195 Beijing XINHUA in English
0907 GMT 14 Aug 95

[FBIS Transcribed Text] Beijing, August 14 (XINHUA) — Religious groups held a meeting here today to mark the 50th anniversary of the victory in the war against fascism and the victory in China's war of resistance against Japanese aggression.

Addressing the meeting, Zhao Puchu, chairman of the China Peace Committee and vice-chairman of the National Committee of the Chinese People's Political

Consultative Conference, read a bulletin on peace on behalf of all religious persons.

It said, "Peace represents the fundamental interests of people all over the world. Safeguarding world peace is the holy responsibility of religious persons."

It noted that millions of Chinese religious believers are determined to safeguard peace in concert with believers in other parts of the world.

In his speech, Ming Shan, an abbot and vice-president of the Buddhist Association of China, criticized a number of people in Japan for refusing to acknowledge the fact that Japan invaded China and to show remorse over and apologize for the war of aggression launched by Japan.

He said, "This demonstrates that the possibility of a world war still exists. We must maintain high vigilance against it."

During the meeting, Zhang Jiyu, deputy secretary-general of the China Daoist Association, read a speech written by Fu Yuantian, president of the association.

In his speech, Fu said that Daoists bravely participated in the war of resistance against Japanese aggression together with Chinese people from all walks of life, and called on Daoists to make still greater contributions to China's prosperity, independence, and social progress, as well as to world peace.

Also addressing the meeting, Imam Al-Hajji Salah An Shiwei, chairman of the Islamic Association of China, reviewed the history of Chinese Muslims fighting heroically against Japanese aggressors together with Chinese people from all walks of life.

"By reviewing history, we will treasure the peace and tranquility we enjoy today," he said. "Muslims in China love peace and pursue peace, and we earnestly pray and ask god to give the world eternal peace and not let the tragedy of history be repeated."

Abdurehim Yimin, deputy president of the Islamic Association of China, also delivered a speech at the forum, where he said that obtaining freedom, peace for mankind, and the happy life enjoyed by Chinese today was not easy, so the present peaceful and stable environment should be treasured doubly, in letting peace and development play a role in our lives.

Zong Huaide, president of Chinese Patriotic Catholic Association, believes that the victory of the Chinese people in the war against Japanese aggression was a great strategic turn in Chinese people's move to bring prosperity to the Chinese nation.

"It also inspires and encourages Chinese religious persons to have self-administration, self-support, and self-

propagation using lessons learned from history and to clearly understand that ups and downs of China's churches are closely tied to the fate of the motherland," said Zong.

He went on to say that a war means disaster and the shameful historical lesson must always be remembered.

He called on Catholic believers in China to unite as one and struggle together to protect world peace, prevent aggressive wars, and to reunify the motherland.

Ding Guangxun, president of the Three-Self Patriotic Movement Committee of the Protestant Churches of China and also president of the China Christian Council, said in his speech that the Japanese militarists today are still changing history to glorify themselves and do not want to admit that Japan ever invaded China and other countries in Asia.

"The Japanese militarists' denial of the fact tells us that we must stop the revival of Japanese militarism and safeguard our peaceful life," said Ding.

Survivors Sue Corporation

OWI408032295 Beijing XINHUA in English
0214 GMT 14 Aug 95

[FBIS Transcribed Text] Beijing, August 14 (XINHUA) — A lawsuit brought against the Kajima Corporation of Japan by Chinese laborers who survived the "Hanaoka Revolt", at the end of World War II [WWII], was heard by a local Tokyo court recently.

During World War II, Japan forced a large number of Chinese commoners and war prisoners into forced labor in Japan, and there were 986 Chinese laborers in Hanaoka, working for the Kajima Corporation.

The "Hanaoka Revolt" broke out among Chinese laborers as a protest against their ruthless Japanese overseers in Hanaoka, Japan in Akita Prefecture, on June 30, 1945.

The laborers were working 16 hours a day and were constantly beaten up or were killed by the Japanese overseers. By the time there were only about 200 left, they had no choice but to rebel, but the rebellion was put down and the survivors would have been executed if the end of the war had not come.

Eighty-year-old Geng Zhun, the leader of the revolt, told this reporter that he and ten other survivors went to Japan to attend the commemoration activities, marking the deaths of the Chinese laborers, and that they had brought suit against the Kajima Corporation.

The 358-page indictment asked the corporation to earnestly apologize for its criminal activities, build two museums, one in Hanaoka and the other in Beijing in

memory of the Chinese laborers, and to compensate each Chinese laborer with five million Japanese yen (about 54,000 US dollars) for his suffering.

A team of Japanese lawyers has been given the job of representing the survivors, sources said.

Musical Epic Depicts War

*OW1408032195 Beijing XINHUA in English
0151 GMT 14 Aug 95*

[FBIS Transcribed Text] Guangzhou, August 14 (XINHUA) — A film titled "A Great Wall of Flesh and Blood — a Musical Epic of China's War of Resistance to Japan" has finished shooting in this southern Chinese province in commemoration of the 50th anniversary of the victory of the anti-fascist war.

The two-hour film consists of valuable historical film footage, one-third of which are being shown to the public for the first time. It begins with Japanese troops intruding into Lushun, a port city neighboring Dalian, in northeast China, in 1904 and ends with the post-war trial of war criminals in Tokyo.

To its increase significance, historical documents are used to demonstrate irrefutably that China was not only the first country in the world to enter the struggle against the fascists, but was also the main battlefield for anti-fascist warfare in the East when the war finally broke out.

Another two films, one about the facts of the Second World War, and the other a musical epic on the former Soviet Union's war to defend the nation, together with "Great Wall", have caught the attention of many people and have won praises from various quarters.

Hubei Delegation Returns From DPRK

*SK1108133795 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 10 Aug 95*

[FBIS Translated Text] On 10 August, after 10 days of exchanges and tours throughout the DPRK, 120 juvenile delegates from various localities throughout Hubei returned to Wuhan, thus bringing about a successful conclusion to a summer camp for provincial juveniles.

The summer camp, jointly sponsored by the Hubei Provincial Communist Young League [CYL] Committee and the provincial Young Pioneers Committee, is aimed at promoting friendly exchanges with international juveniles. During the summer camp, the provincial campers held literary and art activities, marching hand-in-hand toward the 21st century. They also toured Pyongyang, Mt. Kumgang, Mansudae, the Arch of Triumph, and [words indistinct]. Through the summer camp, the provincial campers fully enjoyed the achieve-

ments arising from camping; displayed the fine morale of provincial juveniles; enhanced friendship with Korean juveniles; upgraded their patriotism and their sense of collective honor; strengthened their capability for self management; and spent an unforgettable summer vacation.

Upon arriving at the railway station of Wuhan, the provincial campers and staffers of the delegation were greeted by (Zhang Tao), deputy secretary of the provincial CYL committee, and other leading comrades.

Southeast Asia & Pacific

Burmese Chief Justice Leaves for Beijing

*OW1308043895 Beijing XINHUA in English
0245 GMT 13 Aug 95*

[FBIS Transcribed Text] Yangon [Rangoon], August 13 (XINHUA) — Myanmar [Burma] Chief Justice Aung Toe and his party left here for China this morning.

The three-member delegation will attend the 6th conference of Chief Justices of Asia and Pacific to be held in Beijing next week.

Among those seeing the delegation off at the Yangon International Airport were Myanmar Minister for Social Welfare, Relief and Resettlement Thaung Myint, Attorney-General Tha Tun and Auditor-General Aung Khin Ting.

Sino-Malaysian Trade Rises 40 Percent

*OW1208061995 Beijing XINHUA in English
0508 GMT 12 Aug 95*

[FBIS Transcribed Text] Kuala Lumpur, August 12 (XINHUA) — Trade between China and Malaysia reached 1.574 billion US dollars in the first half of this year, a 40 percent rise over the same period of 1994, according to Chinese official statistics.

The volume also exceeded the performance for the whole 1992 when bilateral trade totaled 1.475 billion US dollars. Economic and Commercial Counselor of the Chinese Embassy in Malaysia Zhu Xiaochuan told XINHUA here today.

He said trade between the countries has been increasing rapidly with 1.788 billion US dollars registered in 1993 and 2.74 billion US dollars last year.

China imported from Malaysia palm oil, rubber, plywood, chemicals, electrical and electronic products among others, and stood in a deficit position for the last two years, he said, expressing the hope that Malaysia will import more from China for the improvement of trade balance.

Zhu said investment and economic cooperation also proceeded well between the countries with Malaysians investing in China's manufacturing, power generation, transport and communications sectors and real estate development.

The number of approved Chinese investor companies in Malaysia jumped from 31 in 1992 to 140 last year, he added.

He said Malayan Banking Berhad and Public Bank Berhad have already set up their offices in Beijing and hoped that Bank of China will soon resume its subsidiary in Malaysia.

Philippine's Ramos 'Satisfied' With Spratly Talks

*OW1108160595 Beijing XINHUA in English
1603 GMT 11 Aug 95*

[FBIS Transcribed Text] Manila, August 11 (XINHUA) — Philippine President Fidel Ramos met with visiting Chinese Assistant Foreign Minister Wang Yingfan here this morning.

Wang, who arrived here on Tuesday [8 August] for the consultations on the South China Sea issue, said the two countries' joint efforts had made the consultations fruitful.

The consultations had promoted mutual understanding and trust, he added.

The Chinese official noted that China and the Philippines share the view that they should promote good-neighborly relations and mutually beneficial cooperation and uphold regional peace and stability.

He urged the two countries to strengthen cooperation, especially in the fields of economy and trade.

Ramos said he is satisfied with the results of the consultations and expressed the hope that the two countries would continue their efforts to solve the issue.

The president called for strengthening bilateral economic cooperation and promoting exchanges in other fields.

Singapore President Ong Teng Cheong To Visit

*OW1408083395 Beijing XINHUA in English
0820 GMT 14 Aug 95*

[FBIS Transcribed Text] Beijing, August 14 (XINHUA) — President of Singapore Ong Teng Cheong will pay a state visit to China from August 21 to 28 at the invitation of Chinese President Jiang Zemin.

Singapore's Senior Minister Lee Kuan Yew will accompany Ong on the visit.

This was announced by a spokesman for the Chinese Foreign Ministry here today.

Near East & South Asia

Luo Gan Continues Middle East Visit

Meets With Kuwaiti Leaders

*OW1208233595 Beijing XINHUA in English
2032 GMT 12 Aug 95*

[FBIS Transcribed Text] Kuwait City, August 12 (XINHUA) — China is keen on developing cooperation with Kuwait in various fields, on the basis of mutual benefit and common development, a high-ranking Chinese official said here today.

Chinese State Councillor and Secretary General of the State Council Luo Gan, who is in the emirate on an official visit, added that Chinese firms wish to contribute their efforts in Kuwait's economic construction.

The Chinese State Councillor today met with Kuwaiti top leaders and discussed bilateral relations, a Chinese delegation source told XINHUA.

Kuwait's Amir Shaykh Jaber al-Ahmad al-Jaber al-Sabah, the crown prince, and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah today met respectively with Luo Gan and his accompanying delegation in Bayan Palace.

During the meetings, Luo expressed his thinks to Kuwait since it keeps one-China policy and rejects any official ties with Taiwan.

On China's principle stand over the Gulf issues, Luo said China calls for resolving peacefully the international and regional disputes according to the international laws and UN Charter

The Amir expressed his thanks for the Chinese stance toward resolving peacefully the remaining issues of the 1991 Gulf War.

The Chinese official also met Kuwait's First Deputy Premier and Foreign Minister Shaykh Sabah al-Ahmad al-Jaber al-Sabah, and State Minister of the Cabinet Affairs and Planning Minister 'Abd-al-'Aziz Dakhil al-Dakhil.

Luo arrived here Thursday on a four-day official visit to Kuwait. He will also visit Saudi Arabia, the United Arab Emirates and Turkey.

Arrives in Saudi Arabia

*OW1308164695 Beijing XINHUA in English
1639 GMT 13 Aug 95*

[FBIS Transcribed Text] Kuwait City, August 13 (XINHUA) — Chinese State Councillor and Secretary General of the State Council Luo Gan arrived in Jeddah today on a four-day official visit to Saudi Arabia, according to Chinese diplomatic sources in Jeddah.

They said during the visit Luo Gan would meet with Saudi Crown Prince and First Deputy Prime Minister Abdallah Bin-'Abd-al-Aziz.

Luo Gan will also meet with the Second Deputy Prime Minister, Defense and Aviation Minister and Inspector General, Prince Sultan Bin-Abd-al-Aziz, and other Saudi officials, the sources added.

The meetings would focus on Arab, regional and international issues of common interest, especially the Middle East peace process and security in the region.

They also said that boosting the volume of bilateral trade would be covered during the talks, in addition to means of achieving equilibrium in the trade balance which upshot a vast surplus for China.

Trade exchange between China and Saudi Arabia reached 2 billion U.S. dollars in 1994.

China and Saudi Arabia established diplomatic relations at the ambassadorial level in 1990.

Chinese Prime Minister Li Peng visited Saudi Arabia in 1991 after the Gulf war.

Luo Gan visited Saudi Arabia after concluding earlier today his four-day visit to Kuwait where he met with Kuwaiti leaders and exchanged with them views on bilateral relations and regional and international issues.

Luo Gan and his accompanying delegation are scheduled to leave Saudi Arabia Wednesday for the United Arab Emirates (UAE), on the third leg of their tour that will also take them to Turkey.

Bangladesh Official To Attend UN Conference

*OW1308061695 Beijing XINHUA in English
0550 GMT 13 Aug 95*

[FBIS Transcribed Text] Dhaka, August 13 (XINHUA) — Bangladeshi Prime Minister Khaleda Ziaur will leave for Beijing on September 3 to attend the much publicized 4th World Conference on Women, according to official reports here today.

It was learnt that the 12-day meet will begin in Beijing on September 4 to discuss a 362-point agenda, covering

multifarious problems facing the women-folk across the planet.

Khaleda, as a special guest, will attend the meeting at the invitation of both the United Nations, the sponsor of the conference, and China, the host country, and will address the international women's congregation.

The prime minister is expected to return home on September 6.

Meanwhile, the Bangladeshi State Minister for Women and Children Affairs Sarwari Rahman will lead the country's delegation to the global meet in Beijing.

West Europe**French Nuclear Test Schedule Not To Change**

*OW1008161595 Beijing XINHUA in English
1540 GMT 10 Aug 95*

[FBIS Transcribed Text] Paris, August 10 (XINHUA) — French Defense Minister Charles Millon today reaffirmed France's schedule of conducting seven to eight nuclear tests from September 1, 1995 to May 31, 1996.

He said on Radio Europe No.1 that there will be no change in the schedule of the planned nuclear tests in the South Pacific, as announced by French President Jacques Chirac on June 13.

As to whether to conduct the eighth nuclear test, he said it will depend on the results of the preceding seven ones.

Millon reiterated that the conducting of these tests is aimed at signing a comprehensive nuclear test ban treaty before the end of 1996.

The defense minister's statement came in response to a newspaper report in the French territory of Polynesia, that France's first nuclear test will be held on August 25-30.

British Loan Financing Traffic-Control Center

*OW1108120195 Beijing XINHUA in English
0801 GMT 11 Aug 95*

[FBIS Transcribed Text] Dalian, August 11 (XINHUA) — An urban traffic-control center has started to be built in northeast China's Dalian city with a loan from Britain 2.1 million pounds.

The mixed loan includes 735,000 pounds of free aid from the British Government and 1.365 million pounds in export credits from the British Barclays Bank. The center is to adopt Siemens traffic-control systems. The loan is provided through an exchange of letter between the Chinese and British governments.

Dalian has 240,000 motor vehicles, and many roads are narrow, resulting in constant traffic jams.

According to local officials, Dalian's 127 urban road crossings will be under unified control after the project is completed in October next year.

With the operation of the center, the city will witness an improved traffic order, they said.

British Station Criticized for False Documentary

*HK1408064595 Hong Kong TA KUNG PAO
in Chinese 14 Aug 95 p A5*

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Cooking Up Sensational News Only To Damage Its Own Reputation"]

[FBIS Translated Text] The British commercial television's Channel Four broadcast on 14 June a so-called "documentary" entitled "Secret Dead House in Asia," reporting that a welfare house in Hubei, China, gives inhumane treatment to orphans, leading to the deaths of many. The program also broadcast an "genuine case," in which a child who is taken ill can only wait for death for being denied medical treatment.

How Will the Television Station Preserve Its Reputation?

The "documentary," which vividly cooked up the story as if it had actually happened, finally was exposed days ago as a complete fabrication designed to discredit China.

Earlier, Chinese-American Wu Hongda [Harry Wu], who was arrested for repeatedly prying into China's state secrets, also acknowledged in a hearing that the documentary about "China's selling criminals' organs" which he provided for U.S. television was fabricated.

Such incidents, which have happened once and again, can only prompt us to call into question the credibility of the Western media.

The media are supposed to criticize wrongdoings and praise good deeds, point out prevailing malpractices, and supervise the authorities' operations, playing the role of a "social conscience." Some of them, however, are applying themselves to concocting news so as to curry favor with the authorities, or even are acting as political tools at the order of the authorities, maliciously attacking or vilifying other countries, thus degenerating into "running dogs."

Hearts Blackened by Desire for Fame

One or two journalists might not have anti-Chinese intentions, but actuated by their desire for fame they

would not hesitate to cook up sensational "news," or "news" that pleases the authorities.

This reveals that some Western journalists have degenerated.

That Western journalists concoct news for fame is not something new. Such cases have been common in the past. The most sensational one is the Pulitzer Prize scandal in 1980.

The prize winner was Janney Cook [jia ni ku ke 6328 1200 1655 0344], a female journalist from THE WASHINGTON POST. The "genuine story," which won her the prize, was about an eight-year-old boy called "Jimmy [ji mi 0679 4717]" who became a drug addict because of the injection of heroin given to him by his mother's illicit husband.

The "story" shook the police as well as the public. The police made every effort to look for "Jimmy" in a bid to save him. After the police's attempts proved futile, the newspaper asked Cook to provide follow-up reports on "Jimmy," but she failed to respond, saying that "Jimmy's family has moved out."

Going in Hot Pursuit

Cook's excuse, however, aroused suspicion. Again, when her resume was published, Cook was also found to have falsified her educational attainment. Then the newspaper decided to go in hot pursuit of Cook, and the latter finally admitting to cooking up the "story," which she had said "she saw happen with her own eyes."

Later, the newspaper asked the Pulitzer Prize Committee to rescind Cook's prize, and frontpaged an editorial apologizing to its readers. Cook also resigned of her own accord.

THE WASHINGTON POST still should be regarded as a responsible newspaper, judging from the way it dealt with bogus news.

We hope Western journalists with a sense of responsibility will carry forward their predecessors' tradition, going in hot pursuit of those who concoct false news so as to be honest to their readers.

Latin America & Caribbean

Vice Chairman Meets Bolivian Visitors

*OW1408083695 Beijing XINHUA in English
0727 GMT 14 Aug 95*

[FBIS Transcribed Text] Beijing, August 14 (XINHUA) — Seypidin Azizi, vice-chairman of the National Committee of the Chinese People's Political Consultative

Conference, met here this afternoon with Bolivian National Secretary of Culture Alberto Bailey and his party, and they exchanged views on issues of common concern.

The Bolivian visitors arrived here on August 12 at the invitation of the Chinese Ministry of Culture.

Petrochemical Document Signed With Brazil

*OW0808054795 Beijing XINHUA in English
0536 GMT 8 Aug 95*

[FBIS Transcribed Text] Brasilia, August 7 (XINHUA) — Brazil and China signed a protocol here today to boost their cooperation in chemical and petrochemical industries.

Under the document signed by Brazilian Mines and Energy Minister Raimundo Britto and Chinese Vice-Minister of Chemical Industry Li Xinzhang, the two countries will cooperate in research, investment, market development and technology transfer.

National Assembly Chairman of Suriname To Visit

*OW0908064595 Beijing XINHUA in English
0622 GMT 9 Aug 95*

[FBIS Transcribed Text] Beijing, August 9 (XINHUA) — Jagernath Lachmon, chairman of the National Assembly of Suriname, and his party will pay a good-will visit to China from August 10 to 14 at the invitation of the Standing Committee of the National People's Congress.

This announcement was made by Chinese Foreign Ministry Spokesman Shen Guofang here today.

Chen Muhua Meets Delegation

*OW1008111795 Beijing XINHUA in English
1030 GMT 10 Aug 95*

[FBIS Transcribed Text] Beijing, August 10 (XINHUA) — Chen Muhua, vice-chairperson of the Chinese National People's Congress (NPC) Standing Committee, met with Jagernath Lachmon, chairman of the National Assembly of Suriname, and his party here today.

The delegation, the first from the National Assembly of Suriname to visit China in some 30 years, arrived here today as guests of the NPC Standing Committee.

Qiao Shi Meets Delegation

*OW1108120695 Beijing XINHUA in English
1153 GMT 11 Aug 95*

[FBIS Transcribed Text] Beijing, August 11 (XINHUA) — Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), said here today that China hopes to expand its political, economic and trade ties with Suriname.

Qiao, meeting with a delegation from Suriname's National Assembly led by its chairman Jagernath Lachmon here today, noted the long-standing friendly contacts between the two countries, their similar historical experiences as well as their common tasks of developing economies of their respective countries.

China and Suriname enjoys a "solid" basis for developing good relations, Qiao said, adding that it is his country's desire to foster closer political, economic, trade and other ties with the South American country.

Qian expressed the belief that the delegation's current visit will help to expand the contacts between China's NPC and Suriname's National Assembly, and promote the bilateral relations of the two countries.

During the meeting, Qiao also noted that all countries, big or small, are equal members of the international community. They should develop political and economic relations on the basis of equality, mutual benefit and mutual respect in order to contribute to world peace and development.

The relations between Suriname and China are real and true, Lachmon said, adding that it is his hope that these relations would be further expanded.

Suriname enjoys rich resources. "We welcome Chinese businesses to invest in our country," Lachmon told Qiao.

The delegation, the first from the National Assembly of Suriname to visit China in some 30 years, arrived here Thursday as guest of the NPC Standing Committee.

Chen Muhua, vice-chairperson of the NPC Standing Committee, met with the delegation shortly after its arrival in Beijing.

Political & Social

Jiang: No Renunciation of Use of Force Against Taiwan

OW1208135895 Tokyo KYODO in English
1324 GMT 12 Aug 95

[FBIS Transcribed Text] Beijing, Aug. 12 KYODO — Chinese President Jiang Zemin said Saturday China will not renounce the use of force against Taiwan, claiming that such a pledge would prevent the island's peaceful reunification with the mainland.

Jiang clarified the position in a written statement during a meeting with Toshitada Nakae, president of Japan's ASAHI SHIMBUN newspaper, in Beidaihe, Hebei Province, the newspaper said.

According to the daily, Jiang said China will not agree to renounce the use of force against Taiwan. If China agreed, it would make peaceful reunification impossible, Jiang was quoted as saying.

China has earlier threatened to use force against Taiwan should Taipei try to declare independence or foreign countries interfere with Taiwan.

China regards Taiwan as a renegade province since 1949 when the Nationalist government fled to the island after losing a civil war with the Communists.

On China's nuclear testing program, Jiang said the tests are not targeted at or a threat to any country and should have no effect on relations between China and Japan, the ASAHI SHIMBUN said.

As for Taiwan's participation in an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November, the president was quoted as saying that China will not accept an approach that differs from the two previous APEC summit meetings in Seattle and the Indonesian city of Bogor.

Taiwan was represented by cabinet-level economic officials at the two previous APEC summits.

China, strongly opposed to any moves that could boost the Taiwanese rulers' international recognition, has demanded that Japan not invite Taiwan President Li Teng-hui or Deputy Premier Hsu Li-teh to the Osaka summit.

Jiang Said 'Quietly Building Bridges'

HK1408080495 Hong Kong SOUTH CHINA MORNING POST in English 14 Aug 95 p 8

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] President Jiang Zemin has been quietly building bridges to the remnant followers of former party chiefs Hu Yaobang and Zhao Ziyang.

The move is seen by analysts in Beijing as an effort by Mr Jiang to enlarge his power base beyond the so-called Shanghai Faction which he leads. However, most of the former associates of Mr Hu and Mr Zhao, who belong to the party's liberal faction, have not responded to the political feelers.

Chinese sources said Mr Jiang had recently sounded out several liberals for a bigger role in politics. They included the Vice Minister of Civil Affairs, Yan Mingfu; the Minister of Electronics Hu Qili; and the former head of the party's Propaganda Department Zhu Houze. Both Mr Yan and Mr Hu, who were sidelined immediately after the June 4, 1989 crackdown, were rehabilitated in mid-1991.

Mr Yan, 64, the son of the party's first head of the United Front Department Yan Baohang, has returned to the limelight since the spring as the cadre responsible for building up "village level democracy". He has also been active in state charity projects.

The sources said Mr Jiang hoped that Mr Yan, whose family members have extensive links with former Kuomintang officials including the "Young Marshal" Chang Hsueh-liang, would play a bigger role in Taiwan affairs. The President recently gave his blessings to a major commemorative event on the achievements of Mr Yan Baohang. Mr Yan, however, has apparently refused to return to the mainstream of party politics, saying that he prefers to stick to charity work.

The same is true for Mr Hu, 66, a former member of the Politburo Standing Committee. Mr Hu, also a leader of the so-called Communist Youth League Faction, has, however, been seen spending more time in the compound where Mr Zhao is staying under heavy surveillance.

Mr Zhu, 64, party secretary of the official trade union on the eve of the June 4 massacre, has refused all offers of an official position. He and several Hu Yaobang associates including former Fujian province party chief Xiang Nan and the "father" of agricultural reform Du Runsheng, have concentrated on projects to help impoverished rural areas in southwest China. Their friends have reported that the former liberal officials are accorded enthusiastic receptions whenever they go on the provincial tours.

Diplomatic analysts say Mr Jiang's failure to co-opt members of the other factions could affect his staying power in the post-Deng Xiaoping era. Since the summer, the President has laid the groundwork for the promotion of more Shanghai-faction affiliates to the regions, including the Special Administration Region of Hong Kong.

CPC Member Makes 'Special' Trip to Jilin

SK1408030895 Beijing XINHUA Domestic Service in Chinese 2006 GMT 10 Aug 95

[By reporter Wang Jinghe (3769 2529 0735)]

[FBIS Translated Text] Changchun, 10 August (XINHUA) — Jiang Chunyun, member of the CPC Central Committee's Political Bureau and vice premier of State Council, entrusted by General Secretary Jiang Zemin and Premier Li Peng, made a special trip to Jilin Province on 9 August to inspect the work to combat the flooding and to carry out disaster relief. He studied on the spot the issues of securing the safety of the large dam of Fengman Reservoir and of combating the flood in the areas of lower reaches. On behalf of the CPC Central Committee and the State Council, he also paid a visit to the masses plagued by the flooding and encouraged the people in Jilin to make sustained efforts to win an overall victory of combating the flooding and of carrying out disaster relief.

On the afternoon of 9 August, Jiang Chunyun and his entourage came to Jilin Teachers' College to visit the victims from Huadian city that was suffering the heaviest flooding. Jiang Chunyun inquired about the disaster situation and the living arrangements currently made for them and conveyed the concerns shown by the CPC Central Committee and the State Council for the disasters occurring in Jilin. Soon afterward, he came to the large dam of Fengman Reservoir to view the flow and the flooding situation and was briefed by the responsible personnel of the reservoir on the work to control the flooding and to tide over the water flow. Under the high water level brought by the large flooding, the Fengman Reservoir has steadily maintained its operation over the past seven to eight days thanks to making preparations in various fields for it. It has not only relieved the strong flowing but also secured the normal generation of electricity, to which Jiang Chunyun gave full confirmation. He stated: The CPC Central Committee and the State Council have shown great concern for Fengman Reservoir in tiding over the flooding safely, therefore, we must secure absolute safety for the dam. We are in the period with the main flooding and at the crucial moment of controlling the flood. Efforts should be made to further reinforce the measures of prevention and protection so as to secure the safety in tiding over the flooding, to maintain the normal production, and to win a victory in both controlling the flood and generating electricity.

Jiang Chunyun also was briefed by the Jilin provincial party committee and the provincial people's government on the province's situation in disasters and in disaster relief. Jiang Chunyun stated: Disaster losses have been

effectively reduced because, in facing the disaster, the Jilin provincial party committee and the provincial people's government have made correct policy decisions and adopted adequate and timely measures; as well as because leading cadres at all levels and the vast number of people, of People's Liberation Army units, of armed police forces, and of public security cadres and policemen have not feared hardship and dangers, made tenacious efforts, and successively and bravely combated the flooding. The living arrangements made for the victims have been good and the public feeling and society have been stable. It may be said that the struggle of combating the flooding and of carrying out disaster relief has won an initial victory.

Jiang Chunyun stated: Tasks taken by Jilin Province in combating the flooding and carrying out disaster relief are very arduous. In the next step, a good job should be done in making preparations for accepting the new disasters of flooding and waterlogging, in enhancing the weather forecast and calculation, and in intensifying the repair of facilities damaged by the flooding. A good job should be also done in making adequate living arrangements for victims in an overall way so as to ensure the food, clothes, and health-care of victims; as well as in striving to handle their housing problem before the beginning of winter. We should vigorously drain away water to control the waterlogging, to restore production, and to rebuild houses. We should also extensively carry out the drive of increasing incomes from the increased production and achieve in reaping a bumper harvest to make up the losses. He stated: It is totally possible for us to overcome the disasters and difficulties under the leadership of the CPC Central Committee and the State Council, under the outstanding socialist system, and through the common efforts made by the broad masses of soldiers and civilians.

Chi Haotian Attends Defense Film Forum

OW1208114395 Guiyang Guizhou Television Network in Mandarin 1135 GMT 1 Aug 95

[From the "Regional News Hookup" program]

[FBIS Translated Text] Yesterday [1 August] morning, a forum on the film for national defense education "The Great Wall of Youth" was held in the Great Hall of the People in Beijing. Those attending the forum included: Chi Haotian, state councillor and minister of defense; Li Desheng, former advisor to the Central Advisory Commission; Shao Hua, vice president of the Military Sciences Academy; Liu Bin, vice minister of the State Education Commission; Tan Dongsheng, director of the Mobilization Department of the General Staff Headquarters; and Jiang Damin, secretary of the

Secretariat of the Chinese Communist Youth League Central Committee. Also attending were Huang Yao, member of the Standing Committee and head of the Propaganda Department of the Guizhou CPC Committee; concerned people in charge of the Guizhou People's Publishing House; Shi Guangzhu, noted national combat hero; and others from the military and education establishment. Altogether 150 were present at the forum.

Taking as its general principle the State Education Commission's outline concerning national defense education for primary and middle schools, and combining this with patriotic education, this 10-part education and material film has collected an enormous amount of information concerning past wars and weapons. The film has integrated knowledge with interest. Its contents are rich and its approach new. The film will enable the broad masses of primary and middle school students to have a comprehensive audio-visual understanding of war and peace, China's history and development, and the duties and responsibilities they should undertake.

Chi Haotian, state councillor and defense minister, gave full affirmation to the great practical significance of the publication and distribution of this film. Chi Haotian said that it would not suffice for a country to have no national defense. Looking back at history, our country was bullied a great deal. We should not forget national humiliation. Education on national defense should begin with small children so that our country will always remain invincible.

Huang Yao, member of the Standing Committee and head of the Propaganda Department of the Guizhou CPC Committee, said at the forum that using lively and vivid forms to carry out education on patriotism, especially to carry out national defense education among teenagers, so they will have a passion for the cause of the motherland, is an attempt in our design of the film.

Liu Bin, vice minister of the State Education Commission; Jiang Daming, secretary of the Secretariat of the Communist Youth League Central Committee; Shi Guangzhu, national combat hero; and representatives of students and teachers of Beijing, also addressed the forum.

Leading comrades attending the forum also presented video tapes of "The Great Wall of Youth" to representatives of students and teachers at the forum.

On 30 July, Qin Jiwei, vice chairman of the National People's Congress Standing Committee, met Li Wan-shou, director, and Lu Huilong, chief editor, of the Guizhou People's Publishing House in his home in Beijing. He fully affirmed the publication and distribution

of the national defense film "The Great Wall of Youth" by the Guizhou People's Publishing House.

CPPCC Members From Macao Inspect Xinjiang
OW1408093095 Beijing XINHUA in English
0735 GMT 14 Aug 95

[FBIS Transcribed Text] Urumqi, August 14 (XINHUA) — A group of National Committee Members of the Chinese People's Political Consultative Conference (CP-PCC) from in Macao is now on an inspection tour of Xinjiang, northwest China.

Briefing the members on local economic development in Xinjiang, Vice Chairman Wang Yousan of the autonomous region said that the region's gross domestic product totalled 63.2 billion yuan last year, nearly six times the 1978 figure. Its agricultural and industrial output value amounted to 88.4 billion yuan, 5.78 times the 1978 figure.

The region has greatly improved its investment environment and cemented economic and trade ties with more than 50 countries and regions, he added.

The vice chairman wished to strengthen links with Macao.

Macao visitors also introduced the situation in Macao and vowed to enhance cooperation with Xinjiang.

NPC Seeks To Expand Power Over Appointments
HK1408065895 Hong Kong HONGKONG
STANDARD in English 12 Aug 95 p 6

[By M. Sung: "NPC Calls For More Power"]

[FBIS Transcribed Text] China's parliament is seeking to expand its power in the process of selecting top government officials and supervising their performance.

A three-day seminar to study the system of the National People's Congress (NPC) ended in Jiangmen city, Guangdong province yesterday, with more than 100 deputies, Standing Committee members, government officials and academics participating.

A public service system was suggested to replace the present system of party control over the selection of government officials.

A Hong Kong deputy to the NPC proposed the creation of a public service commission for the promotion and work performance assessment of government officials.

Only the top and deputy posts should be nominated by the Chinese Communist Party [CPC] committees and the appointment of all officials in the lower-levels should be decided by the public service commission.

The seminar also discussed the NPC's need for greater powers for the appointment of government officials.

Under the present system, the party committees in all levels, including state, provinces, cities and counties, nominate officials and the regional People's Congresses endorse the appointments.

Despite Chinese law allowing 10 deputies of the People's Congress to nominate government officials, the method had yet to become usual practice.

The CPC committees nominated 95 per cent of officials and the people's congress nominated only 5 per cent.

Deputies believe they should take part in the CPC committees' nomination of officials, including examinations and interviews, in order to implement a substantial appointment.

Deputies also said monitoring government branches and departments was far from enough and there was a need to strengthen the monitoring of individual officials.

It was suggested government officials should make their own work reports to their people's congress every year for performance assessments.

Under the proposal, every official's work performance will be thoroughly investigated once in a five-year office term.

The liberal deputies urged that a law should be made in order to enforce the newly proposed reform of the system.

Awards for State Functionaries Regulated

OW1408042595 Beijing XINHUA Domestic Service in Chinese 2147 GMT 5 Aug 95

[FBIS Translated Text] Beijing, 6 Aug (XINHUA) — The Ministry of Personnel recently promulgated the "Interim Regulations Governing Awards for State Functionaries." The full text of the regulations follows:

Article 1. These regulations are drawn up on the basis of the "Interim Regulations Governing State Functionaries" for the sake of giving full scope to state functionaries' initiative and creativity, and encouraging and guiding state functionaries to perform their duties loyally and honestly.

Article 2. The principle of combining spiritual awards and material awards, with emphasis on the former, shall be upheld while awarding state functionaries.

Article 3. State functionaries should be awarded when their performance is one of the following:

(1) They perform their duties loyally and actively, and their achievements are remarkable;

(2) They follow disciplinary rules and carry out official duties honestly; their conduct is good; their way of handling things is fair; and their performance is exemplary;

(3) They have made significant contributions to promoting national solidarity and maintaining social stability;

(4) They have made outstanding contributions to promoting socialist ethics;

(5) Their inventions, creations, and rationalization proposals have yielded remarkable economic and social benefits for the state;

(6) They have achieved outstanding successes in protecting public property and conserving state resources;

(7) They have helped prevent accidents from occurring, thereby preventing or reducing losses of the state and the people;

(8) They have acted selflessly and contributed to combatting disaster and providing relief under special circumstances;

(9) They have courageously done what is right, such as saving people without regard to their own safety, or they have performed exceptionally well in preserving public ethics and security;

(10) They have contributed to fighting lawless conduct or undisciplined behavior;

(11) They have won honors for the country, or done what is in the interest of the country, during contacts with foreign countries; or

(12) They have performed remarkably in other fields.

Article 4. State functionaries whose performance conforms to rules prescribed in Article 3 should be awarded in due course.

The performance of those who have performed their duties remarkably well should generally be assessed along with the annual fitness evaluation.

Those who have made outstanding contributions under special circumstances should be awarded promptly.

Article 5. Awards for state functionaries include a commendation; merit, third class; merit, second class; merit, first class; and an honorable title.

Those whose performance is distinguished and who have achieved outstanding success shall be commended;

Those who have made relatively significant contributions and achieved outstanding success while performing their duties shall be cited for merit, third class;

Those who have made significant contributions and achieved outstanding success while performing their duties shall be cited for merit, second or first class; and

Honorable titles shall be conferred on those whose services are exceptional and whose contributions are extraordinary.

Article 6. Awards for state functionaries shall be approved by the organizations where the state functionaries work, or by higher-level organizations, according to their respective authority stated below:

Commendations and third-class merits are approved by a county or a higher-level people's government, or by a working department under a municipal (or prefectural) people's government.

Merits, second class, are approved by municipal (prefectural) or higher-level people's governments, or by the working department of a provincial or a higher-level people's government;

Merits, first class, are approved by people's governments of provinces, autonomous regions, and municipalities under the central government's direct jurisdiction; or by a working department under the State Council.

Honorable titles conferred by people's governments of provinces, autonomous regions, and municipalities under the central government's direct jurisdiction, after they have been examined and verified by the personnel departments of corresponding levels, have to be approved by people's governments of provinces, autonomous regions, and municipalities under the central government's direct jurisdiction.

Honorable titles conferred by the State Council's working departments have to be approved by these departments after they have been examined, verified, and approved by the State Council's personnel department.

Awards given by a local people's government to government leaders elected by a people's congress of the corresponding level, or to government leaders to be appointed by the people's congress standing committee, in accordance with regulations governing award-approving authority, shall be submitted for approval to a higher-level people's government; and awards given to leading personnel of government organs shall be approved by people's governments of corresponding levels.

Before an organ in charge of approving awards gives an award to a state functionary, it shall solicit the concurrence of its supervisory organ in advance in accordance with its authority in managing state functionaries.

Article 7. The procedures of awarding a state functionary are as follows:

(1) On the basis of the masses' views, the unit where the state functionary works shall state the reasons for giving him an award. In accordance with its approval authority, report the reasons to the higher authorities for examination and approval;

(2) The personnel department of the organ in charge of approval shall examine and verify the reasons; and

(3) The organ in charge of award approval will then approve and announce the award.

When necessary, the organ in charge of award approval may award the state functionary directly.

Article 8. The organ in charge of award approval, or the department or unit it has commissioned, shall present the awards to recipients according to established procedures.

Article 9. Award recipients shall receive certificates issued by the organs in charge of award approval. Recipients of first-class merit or honorable titles shall receive medals in addition to certificates.

The State Council's personnel department shall determine the quality and designs of certificates and medals.

Article 10. Award recipients shall also receive a certain amount of material award.

Prizes or cash awards shall be given to those state functionaries who receive first-, second-, or third-class merit awards; awards in the form of promotion and higher pay, or lump-sum cash awards, may be given to recipients of honorable titles.

Article 11. Awards given to state functionaries shall be retracted when any one of the following situations occurs:

(1) When the exemplary deeds have been found to be forged for the purpose of defrauding an award;

(2) When serious mistakes have been found to be concealed when award applications were submitted; when established procedures have been seriously violated; or

(3) When the award recipients are later punished by dismissal or reform through labor, or convicted for criminal conduct.

Article 12. The retraction of awards for state functionaries has to be submitted by the original award applicant to the organ in charge of award approval for its approval.

Under special circumstances, the organ which approved the award may retract the award directly.

Article 13. When a state functionary's award has been retracted, the organ that approved the award shall also

retract his certificate or medal, and suspend his other treatment.

Article 14. The Ministry of Personnel shall be responsible for interpreting these regulations.

Article 15. These regulations become effective upon promulgation.

Article Commemorates 'August 13 Incident'

*OW1308064695 Beijing XINHUA in English
0633 GMT 13 Aug 95*

[FBIS Transcribed Text] Beijing, August 13 (XINHUA) — Today's "People's Daily" [RENMIN RIBAO] carried a signed article commemorating the 58th anniversary of the "August 13 Incident".

On August 13, 1937, the Japanese invaders provoked a battle at Zhabei District of Shanghai, its second major attack against China after the "Lugouqiao (or Marco Polo Bridge) Incident" in suburban Beijing — which marked the beginning of the eight-year war of Chinese resistance against Japanese aggression.

The local garrisoned army and people then rose in heroic resistance against the invading Japanese forces.

A reporter of the "People's Daily" visited the battle sites and covered the atrocities of Japanese soldiers and the heroic deeds of the local army and people.

People are still full of outrage when talking about the atrocities of the Japanese invaders. They recalled that within days after invasion, the Japanese soldiers leveled Zhabei District, a bustling downtown center of Shanghai, to ruins.

On January 28, 1932, Japanese army launched an attack against Songhu, which was also located in the district. The renowned Commercial Press and Orient Library were bombed and forced to shut down. Over 460,000 copies of books, including many rare and sole ones of their kind, were destroyed.

Five years later, the Japanese army invaded the district again and committed horrible atrocities for 80 days starting August 13. Over 95 percent of the buildings in the Chinese-inhabited section were destroyed, the population reduced by 80 percent, and the national industry and commerce severely undermined.

The atrocities of the Japanese forces aroused the indignation of the Chinese people. With a bitter hatred of the enemy, the local armymen and people in Shanghai fought the invaders under the banner of the united front led by the Communist Party of China.

Xie Jimin, vice chairman of the Standing Committee of the Yangpu District People's Congress, recalled how

his father, General Xie Jinyuan, led his men in a heroic resistance against the Japanese invaders at Zhabei District and frustrated the enemy's ambition to seize Zhabei within three days.

On October 26, the Japanese army broke through the defence line of the Chinese garrison. To avoid more losses, the Chinese army decided to withdraw. Xie Jinyuan, a deputy regiment commander then, commanded a battalion to cover the retreat.

Eight hundred poorly-equipped Chinese soldiers fought against tens of thousands of Japanese invaders for four days and nights and frustrated more than a dozen attacks of the invaders. Local residents enthusiastically encouraged and aided the Chinese soldiers and donated large amounts of food and medicine. The incident shocked the world, won international sympathy and support, and dealt a heavy blow at the invaders.

Although the Sihang Warehouse, where the battles took place 58 years ago, is now surrounded by a prosperous square and stores, people have fresh memories of the incident. To educate young people from forgetting the history, the local authorities set up an exhibition room at the warehouse in honor of the heroic deeds of the 800 fighters. People from all walks of life attended the opening ceremony yesterday.

CPC Central Committee Marks War Anniversary

*OW1108141295 Beijing XINHUA in English
1404 GMT 11 Aug 95*

[FBIS Transcribed Text] Beijing, August 11 (XINHUA) — The departments directly under the Central Committee of the Communist Party of China held a meeting here today to mark the 50th anniversary of the victory in the War of Resistance Against Japanese Aggression.

The Anti-Japanese War, led by the Communist Party of China, was a major contribution to the victory in the World Anti-Fascist War, said Gu Yunfei, deputy secretary of the Working Committee of the Departments under the CPC Central Committee.

"Looking back at history and learning from the veterans' spirit displayed in the Anti-Japanese war are of practical significance for the unity of China's all nationalities and Overseas Chinese, boosting the national morale and the progress of China's modernization drive," he said.

"At all times we should protect the reunification of the state and the unity of the nationalities as we protect our eyes, and fight for the reunification of the motherland," he said.

The departments directly under the CPC Central Committee, as leading organizations of the Party, should also

learn from the excellent tradition and experience in party building at the time of the anti-Japanese war.

At all times and under all circumstances, the leadership of the Communist Party of China should be adhered to and guaranteed, so that new contributions to party building will be made, he stressed.

Propaganda Department Holds Meeting in Yantai

SK1408051095 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 13 Aug 95

[FBIS Translated Text] The Propaganda Department of the party Central Committee recently held a national meeting of heads of the lecturers' groups on the theoretical education of cadres of various provinces, autonomous regions, and municipalities in Yantai.

The meeting stressed: It is necessary to give effective play to the important role of the outlines in the course of deeply studying the *Selected Works of Deng Xiaoping* and the theory on building socialism with Chinese characteristics and deepening theoretical study.

Liu Yunshan, deputy director of the Propaganda Department of the party Central Committee, presided over and addressed the meeting.

In his speech, Comrade Liu Yunshan stressed: It is necessary to take the outlines as a clue and deeply study Comrade Deng Xiaoping's original works; regard the outlines as important supplementary materials and correctly understand and comprehensively grasp the scientific system of the theory of building socialism with Chinese characteristics; and take the outlines as a basic textbook and promote the broad masses of party members, grass-roots cadres, intellectuals, and young people to extensively conduct theoretical study.

Comrade Liu Yunshan called on comrades of the lecturers' groups to enhance their spirit, raise quality, and cultivate a number of well-known teachers who can have a great influence on, have a high reputation, and give full play to the important role of the lecturers' groups in theoretical study.

At the meeting, Dong Fengji, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, introduced the province's situation in theoretical study, research, and propaganda work, as well as in building spiritual civilization.

Merger of Universities, Colleges Announced

OW1208012695 Beijing XINHUA in English
0112 GMT 12 Aug 95

[FBIS Transcribed Text] Beijing August 12 (XINHUA) — More than 100 universities and colleges have been merged into some 40 in a bid to improve management efficiency and strengthen academic capability, the State Education Commission (SEC) announced here today.

Both famous universities and small local colleges have been involved in this still-going-on move, but those most prestigious ones, including Beijing University and Qinghua University, have not been listed on the scheme, a SEC spokesman said.

Under the new reform, surplus departments and specialties will be cut or merged, the SEC spokesman said. But the students will go on staying on campuses.

"The expansion of higher learning is too fast in recent years," he said, adding that some of the nearly-established universities are managed in poor conditions.

The most severe headache for China's some 1,100 universities and colleges is the lack of funds, the spokesman said.

Other problems include irrational university layout and structure, unbalanced teacher-student proportion, over-building of unnecessary specialities and schools, and pedantic management, according to the spokesman.

"The reform is catering to the China's concrete situations as well as the world trend, and it serves to bring up outstanding young Chinese people who can compete on the international stage in the 21st century," he explained.

The reform is being carried out smoothly, he said, adding that local governments are playing important roles in pushing forward the drive.

Anti-AIDS Drive Planned for Universities

HK1408083495 Beijing CHINA DAILY in English
11 Aug 95 p 1

[By Cui Ning: "Attacking AIDS in Classrooms"]

[FBIS Transcribed Text] The State Education Commission (SEC) will pilot a new anti-AIDS programme in China's universities in September, an education official said.

The programme will be introduced first among the 80,000 college students in Shanghai city and central China's Henan Province.

The programme will help increase student awareness of AIDS (Acquired Immune Deficiency Syndrome). And,

for the first time, students will learn that using condoms during sexual intercourse can prevent the spread of AIDS.

"It is urgent and important to upgrade youngsters' knowledge of health instead of shying away from sexual education", said Xie Mouhong, Director of SEC's Health Department.

Teachers will continue to use morality as the starting point for their anti-AIDS work.

In addition to the anti-AIDS strategy, SEC will call on local education departments to further propagandize the Regulations on Health Work in Schools, implemented by the Ministry of Public Health to enhance students' health awareness, said Xie.

The strategy will be launched at universities nationwide late this year or early next year.

College students will receive anti-AIDS education regularly through lectures, video and slide shows, health bulletins and other ways, the SEC revealed.

Hainan Improves Ethnic Areas' Health Conditions

OWI208065595 Beijing XINHUA in English
0632 GMT 12 Aug 95

[FBIS Transcribed Text] Haikou, August 12 (XINHUA) — A township-level health-care network has been set up in southern China's island province of Hainan, and patients with common diseases or frequently-occurring diseases can be treated in towns or villages.

Hainan has 29 ethnic groups, mostly in the central and southern parts of the province. Their population reached 1.14 million, accounting for about 16 percent of Hainan's overall population.

By the end of last year, a total of 133 hospitals with 1,446 beds and nearly 2,000 doctors and nurses were established in towns and villages inhabited by ethnic groups.

An official with the province's Public Health Bureau said that Hainan invested 50 million yuan in the field of public health care in the ethnic group-inhabited regions over the past seven years. That accounts for 45 percent of the total public health investment by the provincial government.

Meanwhile, a total of 797 college graduates have come to work in those township hospitals and more than 300 medical university graduates of local ethnic origin were trained to work in their home region.

Women's Involvement in State Affairs Viewed

OWI408081995 Beijing XINHUA in English
0725 GMT 14 Aug 95

[FBIS Transcribed Text] Beijing, August 14 (XINHUA) — Women's involvement in state affairs has become increasingly active since the founding of New China in 1949, according to today's PEOPLE'S DAILY [RENMIN RIBAO].

The paper said that such involvement "fully demonstrates women's high social status."

For example, women accounted for 12 percent of the deputies to the first National People's Congress, China's top legislature, which was first formed in 1954, and five percent of the First NPC Standing Committee members.

But the figures shot up to 21 percent and 12.3 percent respectively, during the eighth NPC that was formed in 1993.

Women accounted for roughly ten percent of the members of the first National Committee of the Chinese People's Political Consultative Conference (CPPCC), China's top political consultative organization, which began in 1949. The figure rose to 13.5 percent during the eighth CPPCC National Committee that began in 1993.

According to the paper, China had 12.37 million female officials of the governments and the Chinese Communist Party organizations at the end of 1994, up from 65,000 in 1959 and 190 times the number during the 1950s.

The Law on the Protection of Women's Rights and Interests focuses on providing guarantees for Chinese women to participate in state affairs. It also defines responsibilities of government offices, mass organizations, enterprises and institutions in this regard, as well as legal liabilities for infringing upon women's rights.

Chinese women participating in state affairs through a variety of channels, such as electing deputies to people's congresses at various levels, serving as officials of government departments at all levels, expressing their requests through various mass organizations and airing their views through media bodies.

Women's awareness of participating in state affairs has been on the increase, the paper said.

Since 1984 at least 95 percent of women have participated in elections of deputies to people's congresses, the paper said.

Over the past decade and more, the All-China Women's Federation has played a significant role in promoting the establishment of a legal system to safeguard women's

and children's rights and interest, in improving all facets of social security, publicizing advanced women, training women and in helping promote female officials.

On behalf of women of various ethnic groups and from all walks of life, women's associations at all levels exercise democratic management and supervision over state and social affairs.

Survey Shows Tolerance For Euthanasia, Abortion
OW1408034695 Beijing XINHUA in English
0341 GMT 14 Aug 95

[FBIS Transcribed Text] Beijing, August 14 (XINHUA) — The Chinese people may be tolerant when it comes to euthanasia, life as a single, divorce, and abortion, but not so when it comes to drug addiction, prostitution, bribery, tax evasion, and homosexuality, according to a recent report.

"China Social News" reported that a survey has shown that Chinese are most likely to be tolerant of justifiable homicide, euthanasia, freedom of choice in living the single life, divorce, and abortion.

What they most dislike is drug addiction, consorting with street walkers, prostitution, bribery, hit-and-run traffic accident, showing disrespect for parents or the elderly, tax evasion, illicitly accepting money or goods, indifference to other's suffering, homosexuality, and casual sex.

Zhang Haishan, an expert on Chinese ethics, says that people are becoming more and more tolerant of individual actions as long as they do not harm society, and will not forgive those things that harm the general interest, such as public hazards or environmental pollution.

The report quoted a sociologist as saying that the tolerance level of Chinese has improved. Divorce and living singly, for instance, are no longer considered "shameful" or "abnormal".

However, they show no permissiveness when it comes to such social evils as drug addiction, consorting with prostitutes, corruption, and tax evasion.

Some experts have pointed out that Chinese still have quite traditional ideas in some areas, such as respecting the elderly and parents, and disapproving of homosexuality and random sex. They also consider abortion, which is a hotly debated topic in some Western nations, as reasonable.

Survey Conducted on Per-Capita Housing Space
OW1108120295 Beijing XINHUA in English
0801 GMT 11 Aug 95

[FBIS Transcribed Text] Beijing, August 11 (XINHUA) — A national survey has shown that per-capita housing space for Beijing and Yinchuan residents, which is 8.5 sq m per capita, is the largest in China.

The recent survey was released today by departments of public facilities and housing who looked at 36 major Chinese cities.

The nine other cities at the top of the list, which had between 7.8 and 8.4 sq m, were Kunming, Xiamen, Chengdu, Hangzhou, Shijiazhuang, Taiyuan, Nanchang, Jinan and Urumqi.

The survey also showed that residents of Xiamen have the greatest area of road space, 13 sq m for each person.

The other cities ranking on the road list are Jinan, Haikou, Lhasa, Ningbo, Shenzhen, Tianjin, Dalian, Qingdao, and Taiyuan, all having between 6.6 and 10.4 sq m.

No comparative figures were provided for the housing or road areas in the countryside of China.

Film Slated To Commemorate Revolutionary Composer

OW1208161595 Beijing XINHUA in English
1540 GMT 12 Aug 95

[FBIS Transcribed Text] Shanghai, August 12 (XINHUA) — China is producing a movie about revolutionary composer Xian Xinghai to commemorate the 50th anniversary of the victory of the World Anti-fascist War and of the Chinese People's War Against Japanese Aggression.

The movie, jointly produced by the Zhujiang, Xian, Shanghai and Beijing Film Studios, was the fourth major film designated by the Chinese Ministry of Radio, Film and Television to mark the occasion. The other three are "Nanjing Massacre", "July 7 Incident" and the "Flying Tiger".

All these films depict what had happened in China during the Chinese People's War Against Japanese Aggression half a century ago.

Xian Xinghai was a famous revolutionary composer born in Macao in 1905. He studied music in Paris in 1929 and returned to China in 1935. One of Xian's works was selected as China's national anthem.

The musician devoted himself to the music movement to resist Japanese aggression and save the nation. His

well-known works include "Thorns on the Sour Jujube Tree", "Battle Song of Resistance Against Japan", "Go to the Enemy's Rear", "Defend Lugouqiao Bridge", "On the Taihang Mountains", and "Yellow River Cantata".

The movie will mainly describe the prime time of Xian's life from 1930 to 1940 when he made his way from Paris to Shanghai, Wuhan, and Yan'an. Xian died of illness in Moscow in 1945 at the age of 40. His ashes were brought back to Beijing in 1983 by a special escort of the Chinese Embassy in the former Soviet Union.

Other historical figures, such as then political and military leaders Mao Zedong, He Long and Lin Boqu, and poet Guo Moruo are in the cast.

*Article 'Attacks' 'Servility' of Intellectuals

95CM0332A Hong Kong KAIFANG [OPEN MAGAZINE] in Chinese 1 May 95 No 26, pp 29-31

[Article by Cao Changqing (2580 7022 7230), former Shenzhen Youth Paper reporter: "Chinese Scholars Are Accustomed to Kneeling—A Critique of the Personal Integrity of Mainland Chinese Intellectuals"]

[FBIS Translated Text] **Editor's note:** As to the prevalent style of Chinese intellectuals as appendages to power and wealth without independent character, even major intellectuals openly acknowledged as having some backbone are not exempt from the charge. This article sharply attacks such servility, giving much food for thought.

When the 1994 Nobel Prize for Literature was awarded to the Japanese author Kenzaburo Oki, that event once again left Chinese authors who maintain that Westerners will not give that prize to a Chinese because they do not understand Oriental literature eating their words. When Kenzaburo Oki refused to accept the Japanese Government's "Culture Medal," that was even more of a great mockery of the historic servility of Chinese intellectuals to officialdom. Regretably, Chinese intellectuals certainly have not blushed about this, as they still have no sense of shame.

Just as Kenzaburo Oki was telling a NEW YORK TIMES reporter that "I refused that prize because I do not recognize any authority or value that places itself above democracy," Japanese rightists were demonstrating around his home, in protest of his disrespect for government and the emperor.

While it was Mao Zedong's brutality that caused many intellectuals to lose their sense of dignity and independence, turning them into "little Mao's" of the PRC regime, communist despotism is certainly not the only factor in the lack of dignity of [Chinese] intellectuals. A host of facts show that even before Mao

Zedong's tyrannical rule had come into vogue, Chinese intellectuals still had little regard for [their own] dignity, not to speak of any independence. The wholesale selling of their souls by figures such as Guo Moruo [6753 3106 5387] and Qian Xuesen [6929 1331 2773] no longer needs mentioned. So let us simply take a look at where the self-respect has gone of those intellectuals who are unanimously held to be "exemplary" and "to have intellectual character."

Where Has Liang Shuming's Dream Gone?

While the backbone of the "great Confucian scholar" Liang Shuming [2733 3359 3298] in openly contradicting Mao Zedong at the 1953 "CPPCC [Chinese People's Political Consultative Conference] session" won the admiration of intellectuals both in China and abroad, Liang himself certainly did not much value his own "courage." In 1986, when Mao Zedong had been dead for a decade and mainland China's political climate was much more tolerant than before, he said that: "In September 1953, it was my own arrogance, pride, and total disregard for Chairman Mao's leadership prestige that led me to contradict him in public, forcing him to say certain extreme words in a fit of anger. Having said that I was swayed by personal feelings at the time so that my talk got out of control, then it was also the case that it was only my contradicting him first that caused Chairman Mao to criticize me subsequently." As Liang Shuming was 94 at the time, was it that that he dared not speak the truth due to Mao Zedong's having broken his backbone at the time, to leave him in the same old state of confusion, or was it due to his own lack of [dignity] self-respect?

With Mao Zedong having humiliated Liang Shuming with gangster-like means at that "CPPCC session," Liang's so valuing of Mao Zedong's "imperial" prestige, going out of his way to defend it instead of valuing the disgrace to the respect for intellectuals, to willingly cheapen himself, leaves us wondering where his "intellectual character" had gone.

In fact, that "great intellectual" certainly did not get confused only in his old age, as he already lacked understanding as long as a half century ago. In 1946, when the War of Resistance Against Japan had just ended, he rushed from Chongqing to Yan'an, offering advice to ten CPC leaders such as Mao Zedong, Zhu De, and Peng Dehuai, holding that China must by no means pursue British and American style democracy. In *Liang Shuming and Mao Zedong*, Dai Qing [2071 2532] quotes Liang as saying that: "In Chongqing, while I seemed to have said on all occasions that China needed to pursue European and American style constitutional government, bragging about the realization of democracy through rotational party politics to build China, it was

precisely at that time [1946] that I began to take exception to that. I held that for China to copy the European and American political system would be out of line, first with China's historical and cultural traditions, and second, with China's national conditions and the needs of the status quo, with the consequences being adverse to China's rapid institution of long-range economic construction...." "As what I am saying today was what no one would listen to or was interested in in Chongqing at the time, I will not say what is inconvenient, with my exclusive purpose in coming to Yan'an today... being to ask advice from you all."

In 1986, four decades after Liang Shuming had gone to Yan'an to offer advice, that "great Confucian scholar" said in an interview with Dai Qing at his Beijing residence about that period of history that: "At the time, I had not even dreamed that not long after I had returned to Chongqing, Chiang Kaishek would tear up the armistice and CPPCC agreements, to engage in an all-out civil war. I had even less imagined that just a short three years later, Chiang Kaishek's KMT [Kuomintang] would have really fallen from power, with the Chinese Communists headed by Mao Zedong founding the PRC, and finally starting long-range and conscientious economic construction in China, to realize the dream that I had long dreamed but had not known how to realize."

We would like to know in what area Liang Shuming, who personally experienced and was an eyewitness to mainland China's four-plus decades of many disasters such as the Great Leap Forward, the Anti-Rightist Campaign, and the Cultural Revolution, holds that the CPC has realized his "dream."

Jian Bozan's Servility and Suicide

While the famous historian Jian Bozan's [5054 0130 6363] unbearable humiliation and suicide during the Cultural Revolution left his successors admiring his spirit of "scholars can be killed but not humiliated," mainland scholar Li Shu [7812 3412] recalls that in 1953, Jian Bozan, Shao Xunzheng [6730 1789 2973], and Hu Hua [5170 5478] submitted their just written draft of *Essentials of Chinese History* to Mao Zedong, requesting instructions on how their history should be staged.

To which Mao Zedong commented that: "As Chinese history is so long, I recommend that we establish three institutes in the CASS [China Academy of Social Sciences], dividing Chinese history up into three parts for study, with the first institute studying ancient times ending with the Han [Dynasty], the second studying the Wei [Three Kingdoms] and Jin Dynasties and up to the Opium War, and the third modern history since the

Opium War. These three history institutes should jointly publish a journal called LISHI YANJIU [HISTORICAL RESEARCH], with the policy of 'letting a hundred schools of thought contend'."

As then Beijing University Professor Jian Bozan was a learned history scholar, how could he really not have known whether he or Mao Zedong knew best how to stage history? Was it not servile to submit his draft to Mao Zedong for advice just like a grade school pupil? At the time in 1953, since there had not yet been any Anti-Rightist Campaign or Cultural Revolution, the political climate was not yet so grim.

It probably was precisely such devaluing by intellectuals of their own dignity that enabled Mao Zedong to occupy such a commanding position that he dared to direct in such detail even a specialized academic issue as historical stages. Not only did he decide how to stage history, but also stipulated the establishment of several research institutes, as well as which one would study which particular historical period, what type of journal it would publish, and what the journal would be named. That Mao Zedong could be so presumptuous was precisely due to his being emboldened by intellectuals prostrating themselves subserviently at his feet.

However, despite such respect for Mao Zedong by Jian Bozan, he was still criticized and denounced during the Cultural Revolution, to the point where both he and his wife committed suicide. The exiled former director of the "CASS Literature Institute," Liu Zaifu [0491 0375 1788], discloses that after Jian Bozan's death, a note was found on his body saying "Long Live Chairman Mao."

Chu Anping Is Overwhelmed by an Unexpected Favor

Among China's contemporary intellectuals, Chu Anping [0329 1344 1627] probably is exceptionally unique. In the 1940's, he incisively noted that the KMT was "hopelessly corrupt," as well as that "there is essentially no difference between the Communist and Fascist parties." He advocated a third path, or opposition to dictatorship by either the KMT or CPC, to take the path of liberal democratic British and American style constitutional government. He directed the GUANCHA [OBSERVATION] JOURNAL, maintaining contacts with over 70 "freethinking" figures who agreed with him. Chu Anping declared that "it is not the KMT that can now resist the Communist Party, but rather this group of freethinkers."

However, such a liberal who advocated the nobility of the spirit was still excited when Zhou Enlai came to his hotel to visit him and a group of democratic party

intellectuals in 1949 on the verge of the CPC victory. He told his friends that "I would never have thought that Mr. Zhou would come to my room in person." Whereupon the GUANCHA JOURNAL that he edited immediately changed its tune, providing no more objective reporting or incisive criticism, but rather carrying such articles as "Emulating Party Cadres in Learning About the High Tide" and "Ferreting Out My Ideological Roots," and publishing sociologist Fei Xiaotong's [6316 1321 6639] "Remold or Fall Behind" and Economist Wu Dakun's [0702 1129 3824] "How To Elevate Our Economics to Mao Zedong's Level." In 1950, before Mao Zedong had shown any "economic construction talent," that economics professor disgustingly suggested that economics had a "Mao Zedong level." So where was his sense of dignity as an intellectual?

The published editorials that regularly flowed from Chu Anping's pen actually contained such words as "Chiang Kaishek, the fascist gangster" and "sucking up to American imperialism." Seeing such words leads us only to think that intellectuals such as Chu Anping had already started to "suck up to" Mao Zedong.

Feng Youlan Criticizes Confucius and Flatters Mao Unrepentantly

Another "great Confucian scholar" of the time who had been criticized — Feng Youlan — also started to write ingratiating letters to Mao Zedong as far back as 1949, when Mao Zedong had not yet become a "despot" and was just "pursuing the tottering foe with power and to spare," stating that he [Feng] "was determined to remodel his thinking, studying Marxism, and preparing to rewrite within five years the history of Chinese philosophy using the Marxist stand and methodology." Whereupon Mao Zedong quickly wrote back, instructing that Chinese philosophy professor that "there is no need for impatience, as that can be done slowly, with it generally best to use the old approach." (Feng Youlan, *Complete Works of San Songtang*, Volume 1, page 147.)

Feng Youlan had studied in the United States at Columbia University in 1919 at public expense, returning to China four years later with a PhD to study the history of philosophy. Why could not one such as Feng Youlan with such credentials and erudition write a history of Chinese philosophy without having to ask instructions from Mao Zedong who had no specialized knowledge at all?

Feng Youlan subsequently followed the political tides closely, cutting a contemptible figure during the movement to "criticize Lin Biao and Confucius." His *New History of Chinese Philosophy* was so revised out of political need that it lost all academic value. In 1982, when Feng Youlan [Yulan] went to New York to receive an

honorary doctorate from his Alma Mater Columbia University, he had not a word of self-remorse to say about his actions that had lost him respect at the ceremony when summing up his life. In 1988, when U.S. Princeton Professor Chou Chi-p'ing visited Feng in Beijing and asked him "if he had any regrets about the works that he had published," he actually replied that "I have never thought of that." As to those works in which he had rigged history to flatter Mao Zedong, Feng Youlan had not a word of regret.

The Beijing Chaohu Publishing House recently published a book entitled *China's 100 Major Rightists*. The preface to that book said that: "By the time of the 1950 silk banner presented at Tiananmen by the representatives of overseas intellectuals that said 'We are Forever With You,' the 1951 condemned *Biography of Wu Xun*, and the 1952 arrest of the 'Hu Feng counterrevolutionary gang,' a bleak chapter had already been written in the 1957 tragedy."

What About Ba Jin and Bing Xin?

While some may say that all of this is past, have Chinese intellectuals of today recovered their dignity? The writer Ba Jin, who is regarded as the "leading scholar" in Chinese literary circles, recently published an article in the Taiwan press entitled "Remembering Wei Huilin," in which he noted that his old friend Wei Huilin had once criticized him to his face for "not daring to speak the truth." While Ba Jin rejected that criticism, when the tragic "4 June massacre" occurred, did Ba Jin step forward to condemn anyone for it? He did not. The silence of Ba Jin, who has extremely high prestige both in Taiwan and mainland China, about "4 June" is unforgivable. Not to speak of rejecting an official medal as did Kenzaburo Oki, Ba Jin even continues to hold an official post, being officially honored as the vice chairman of the PRC "CPPCC."

Another mainland Chinese writer with longstanding credentials is Xie Bingxin. Not only did she remain silent about the "4 June massacre," but on Mao Zedong's 100th birthday she even wrote an article in ZHONG-GUO WENHUABAO entitled "In Memory of Chairman Mao." Bing Xin had personally experienced Mao Zedong's Anti-Rightist Campaign and Cultural Revolution that had destroyed intellectuals and brought great suffering to the Chinese people. Moreover, by the time she wrote that article, there was no one on the mainland political scene who could have forced her to do so. In which case, was the 90-plus-year-old Bing Xin actually just ignorant and confused in her old age, or was she being shamelessly servile? In the West, when such an author goes a half century without writing any significant works, she would have long since become obsolete.

It is only in China that she could still be treated in literary circles as a "divinity" without producing any works, but merely by relying on government support. As to such a writer, Ba Jin actually praises her as being "so frank and pure, so firm and strong!"

Even more ludicrous is that the self-claimed Chinese dissident writers who founded the literary publication QINGXIANG [TRENDS] in the United States actually carried an emotional article of gratitude, tearfully thanking Bing Xin, the author of a work such as "In Memory of Chairman Mao," for acting as their "advisor."

They Have Hair and Skin, but Do They Have Backbones?

In November 1994, an Egyptian winner of the "Nobel Literature Prize," Naguib Mahfouz, was attacked and wounded in Cairo. However, during his hospital stay, while high Egyptian officials went to visit him in swarms, he certainly did not feel gratitude, rather severely criticizing the government as always. Such dignity and lofty and unyielding character among foreign writers leave one feeling ever more keenly the lack of the most crucial sense of spiritual dignity among Chinese intellectuals. While Li Po once recited the verse "the one chosen to be Emperor will not take the job," today's Chinese intellectuals are a case of "rushing to comply with the orders of any bureau chief." Faced with the wave of "diving into the sea of business," they are even more so a case of "rushing to jump ship in response to the call of money." With intellectuals competing for "money" and fearing only to be left behind in that competition, as well as rushing to be crowned with "official hats," and fawning on power and wealth, their lack of self-respect and all sorts of ludicrous performances are just too horrible to even contemplate.

With no freedom of speech or press on mainland China, the lack of self-respect among intellectuals there has never been properly overseen or criticized, to the extent where such "shamefulness" is often ignored and not faced. As that has gone on for so long, the "ugly" has actually been treated as "beautiful" in broad daylight. Before Chinese writers talk about whether they can win the "Nobel Literature Prize," they need to first consider whether they can acquire some dignity by standing up, which they have never done. Authors without dignity and independence of character will never write any works with a sense of human spirituality!

Science & Technology

National Accreditation System Taking 'Basic Shape' *OW1108144695 Beijing XINHUA in English 1434 GMT 11 Aug 95*

[FBIS Transcribed Text] Shanghai, August 11 (XINHUA) — Ding Qidong, a chief engineer of the State Bureau of Technological Supervision, said here Thursday [10 August] that China's accreditation system has taken basic shape over the past ten years.

Four national accreditation institutions have been set up with regard to the management of accreditation personnel, as well as assessment of products and laboratories. The institutions will work out guidelines and regulations for accreditation. Ding said.

To date, China has set up 18 accreditation bodies to assess and issue certificates to companies meeting international standards. And three independent accreditation bodies have also been approved.

There are also 14 national bodies to certify the quality of products such as automobiles, building materials and electronic goods.

The number of qualified accreditation personnel, who have to pass strict examinations, has reached 1,000.

According to incomplete statistics, about 3,000 enterprises have received over 8,000 accreditation certificates for their products. And 200 enterprises have passed the quality certification standards required by the GB/T19000-ISO9000 series, Ding said.

The GB/T19000 series, the equivalent of the ISO9000, is used as a mark of quality in China for companies whose products and administrative procedures meet the international standards.

The number of laboratories that have the certificates has reached 42, with a Hong Kong laboratory included.

The country has also stepped up co-operation with international accreditation bodies to upgrade its work, Ding said.

Advances in Physics, Plans Outlined

*HK1408073895 Beijing CHINA DAILY in English
11 Aug 95 p 9*

[By Shao Ning: "New Particle for Physics"]

[FBIS Transcribed Text] After six years of work, having obtained many important and interesting physics findings from the Beijing Electron-Positron Collider (BEPC), China's biggest accelerator, Chinese physicists are ambitious to search deeper into the micro world.

Chinese scientists have won the respect of the world's high energy physics community for their continuous improvement of their precise measurement of the tau lepton, one of the basic particles that is more than a thousand times smaller than the nucleus of an atom.

Earlier this year physicists working at BEPC made another important discovery with their accelerator, confirming the existence of a new particle called "xi(2230)/ksai/", which is also much smaller than the nucleus of an atom.

In their detailed studies of the xi(2230), they found important new ways that the xi(2230) decays, shedding new light on its fundamental nature.

High energy physics scientists now think that the xi(2230) is the first observation of a new type of elementary particle, called a "glueball."

Glueballs are thought to be made from different combinations of a fundamental particle called "glueon."

Glueons are responsible for transmitting the very powerful force that holds the nucleus of the atom together. The existence of glueons was predicted by theoretical physicists about a decade ago, but they still remain mysterious, even to scientists in this field.

In theory, a single glueon cannot be observed. However, particles containing combination of glueons may be detectable.

The experimental evidence from BEPC is coming closer to the conclusion that the xi(2230) is such a particle. If it is, this would be the first example of this new form of matter.

"The results have intrigued us and encouraged us to do more research to prove the existence of the glueball," said Zheng Zhipeng, Director of the Institute of High Energy Physics (IHEP) under the Chinese Academy of Sciences.

Zheng said the results also drew interest from the world's physics community and attracted many foreign physicists to do research here.

"If the glueball exists, it will be a very meaningful finding in high energy physics," Zheng said.

Nowadays research into the micro world has evolved into a science that depends largely on pure calculations. It has also become an extravagant project. Physicists searching into the unimagined micro world want to find if there are any new fundamental particles.

To reach their aim, physicists have divided themselves into theoretical and experimental groups. The researchers in the former group base most of their calculations and predictions on the data gathered from their

experiments. The latter group uses bigger and bigger accelerators in order to prove the predictions of the former group and to detect the micro world step by step.

Also, building an accelerator has become a mark of the scientific and technological level of a country.

From 1984 to 1988, China constructed the BEPC on time and within the budget. It has been in operation for about six years, serving high energy physics as a collider and used in synchrotron radiation research as a light source.

At present it operates 5,500 to 6,000 hours each year, the operation efficiency higher than 95 per cent.

In high energy physics research, the BEPC is used both as a high luminosity light source and as a reliable collider. Only by using the detector Beijing Spectrometer (BES) inside the BEPC, have the physicists been able to see the results and acquire data.

BEPC is a unique machine which has operated in the tau-charm energy region, and has enabled researchers to obtain a lot of important experimental results and exciting physics data.

"Till now the BEPC is the only accelerator in the world that runs in the tau-charm energy range," said Wang Shuhong, Deputy Director of the IHEP. "And it has run pretty well during the past six years, arousing great interest from the world's physics society. Our scientists working with BEPC have been frequently invited to the conferences on high energy physics to report on the progress in the tau and charm energy range."

Tau and charm are two fundamental particles in high energy physics research, and the BEPC has proved to be very powerful tool for research on these two.

"Normally a collider needs an upgrade after it runs seven years," said Wang. "The rich opportunities in high energy physics in the BEPC energy region and the exciting physics results obtained with BES have encouraged us to upgrade the BEPC's luminosity."

Luminosity is the degree of the brightness inside the accelerator when particle beams spin.

The BEPC's upgrade work will ultimately double the luminosity of the collider, so that it can carry on more detailed research.

"The upgrade project was officially approved in May of 1993. Since then the project has been going well, despite some technical difficulties," Wang said.

The upgrade of BEPC includes the Control System upgrade, which has been successfully completed this

summer, and the reconstruction of the detector (BES-II), which is expected to be finished by the end of this year.

Wang said the total upgrade work will be completed at the end of next year after the scientists and the engineers overcome all the technical difficulties.

Although the BEPC has obtained many meaningful results Chinese physicists find that it has limited ability for the research in the tau and charm energy range. Even after the upgrade of BEPC, scientists still feel quite limited by the research facilities.

"If we want to do more research on the glueball, we need to enhance the power of our BEPC," said Wang.

Now scientists have put forward a new idea for the research on the fundamental particles. They suggest that the accelerators be developed into "factories" which will make large amounts of the particles to assist the physicists in their research.

At present, there are two "factories" being built for making particle "B" in the United States and Japan, and another factory for "pi" is under construction in Italy.

From 1989 to 1993, four workshops on building tau-charm factories were held in the world, to confirm the necessity and the feasibility of a tau-charm factory.

And later in 1994, most of the physicists gathered in the U.S. again and concluded that: "In certain basic areas of particle physics, such as the search for glueballs and possible CP violations in the lepton system and the charm structure, the tau-charm factory provides a unique facility."

And most of the scientists think that China is the best place for the building of a tau-charm factory. In fact, the world's high energy physics community encourages the construction of a tau-charm factory in the future at IHEP, Beijing, involving international collaboration.

At present, a primary design of a tau-charm factory in Beijing has been completed. It is a two-ring, one collision electron positron collider with a design luminosity hundreds of times higher than that of the present BEPC.

The estimated cost to construct the Beijing tau-charm factory is about a billion yuan (\$120 million), a quite high amount for China.

Fortunately the feasibility study on the Beijing tau-charm factory was officially approved by the Chinese Government recently.

It will take one and a half years and an investment of 5 million yuan (\$602,000) to make a conceptual design of the Beijing tau-charm factory. Then it might be followed by a three or four years of research and development.

Military & Public Security

Jiang's Interest in Military, Soldiers Detailed

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[FBIS Translated Text] Beijing, 31 Jul (XINHUA) — Soldiers are the foundation of the Armed Forces. Ever since Jiang Zemin, general secretary of the CPC Central Committee, assumed the Central Military Commission [CMC] chairmanship at the Fifth Plenary Session of the 13th CPC Central Committee on 9 November 1989, he has been closely following the Armed Forces' construction and soldiers' well being, while guiding the People's Liberation Army [PLA] in following through with Deng Xiaoping's thinking for military construction during the new period, and intensifying the Armed Forces' revolutionization, modernization, and regularization.

When the PLA marks its 68th anniversary, one article published by the ZHONGHUA YINGCAI [CHINESE ELITES] monthly traces Chairman Jiang's footsteps in his visits to military barracks, and the stories it tells provide vivid descriptions people cannot forget.

Over the past five years, Chairman Jiang, while dealing with important state affairs every day, has made it a regular practice to inspect military barracks. So far he has met, shaken hands, and talked with officers and men of some 100 grass-roots companies in northwest China's border areas, along the coastal of the East China Sea, on the Roof of the World, and in other remote places.

On the seventh day after he became CMC chairman, he visited a PLA unit stationed in southern Xinjiang. When visiting the No. 7 Company of a certain regiment of the unit, he visited the soldiers of every squad. Because it was already early winter, he felt the soldiers' bedding, and asked Tian Jinbiao, the company's political instructor: "Each of the soldiers has only one blanket and one mattress. Do they feel cold at night?" He instructed: "Our cadres must care for each and every soldier, and be concerned with their livelihood and maturity."

On 14 May 1990, some 1,000 officers and men of a naval unit lined the deck of a ship under the scorching sun, waiting for Chairman Jiang's inspection. Seeing the sweat on the soldiers' faces, Chairman Jiang quickened his steps. After the inspection, he told the officers at his side: "I figured that they had been standing under the sun for quite some time, so I purposely walked faster." These few words lingered in the soldiers' minds for a long time.

On the eve of this year's Spring Festival, Chairman Jiang came to a unit in Zhangjiakou [in Hebei] to visit the newly enlisted men there and inspect their

preparations for the festival. When he was informed that the new soldiers were a bit homesick, he said with a smile: "Being homesick is quite understandable because this is their first time away from their parents and the first time to spend New Years Day in the military." He told the soldiers: "When you write home, you can tell your folks that CMC Chairman Jiang Zemin came to wish you a happy New Year, and that they do not have to worry about you."

People have discovered that, whenever Chairman Jiang inspected the military, he invariably inspected three places more carefully: The mess hall, soldiers' dormitories, and soldiers' sentry posts, because he thinks that in times of peace these three places can reflect soldiers' lives and a company's readiness most effectively.

Once Chairman Jiang visited a border defense unit in northeast China. The temperature was more than 30 degrees below zero. Braving the cold, Chairman Jiang trekked more than seven hours on ice and snow before he reached the unit to visit its officers and men. After climbing a narrow and steep staircase, he reached a 17 meter-tall watch tower to visit the two soldiers standing guard there. His escorts reminded him that, because of the cold, he should not stay there too long. Chairman Jiang replied: "Since I am here, I should have some experience of the soldiers' hardships." In his letter to his family, Zhang Youliang, a newly enlisted soldier, wrote: "Mom, Chairman Jiang visited us today. I felt so fortunate. He was very kind to us and showed great concern for our well being."

In addition to setting an example of showing concern for soldiers' livelihood and growth, Chairman Jiang also pays great attention to soldiers' feelings. He never ignores a problem even though it may be just a small one. He said: "As far as a leading cadre is concerned, making a 10,000-word speech is not as good as accomplishing something practical. He has set an example as long as he has done something practical."

On 3 May 1990 after he read a report about certain officers' simplistic and brutal way of doing things, he immediately asked the officers concerned: "Are they true? Are these problems universal, or problems concerning only a few individuals?" "Our Army is composed of people's children. When it was founded, Chairman Mao attached great importance to combating the warlord-type ways of doing things. Powerful measures must be taken to avoid a recurrence of situations like this."

During the five years in which Comrade Jiang Zemin served as the mayor of Shanghai and secretary of the municipal party committee, he inspected the Good 8th Company on the Nanjing Road on many occasions. In August 1989, only one month or so after he assumed

his Central Committee position, he inspected Shanghai and, despite his busy itinerary, he visited the company again. He said to the soldiers: "Chairman Mao, in his 'Ode to the 8th Company,' praised your company as a company that 'repels corruption and never lets itself be contaminated.' This is an important guideline for building the People's Army. Your company has upheld this guideline in accordance with Chairman Mao's instruction. This is very commendable. I hope all comrades in the party and the Armed Forces can meet the new challenge during the new period like you do."

While visiting the Zhuhai Special Economic Zone, Chairman Jiang heard a report about the good performance of the Steel 8th Company garrisoned on Hengqin Island, which is separated from Macao only by narrow waters. Because of special policies, people and goods between the island and Macao can come and go freely without visas or taxes. The company's officers and men, however, were unmoved by monetary and material temptations, and they made important contributions to maintaining the special zone's order without requesting anything in return. Chairman Jiang happily inscribed this message for the company: "The Steel 8th Company guarding the South China Sea outpost has built itself into an enemy- and corruption-resistant steel fortress."

When Chairman Jiang visited Fushun's Lei Feng Memorial Hall one day in the fall of 1990, he and the fighters of the Lei Feng Squad stood in front of Lei Feng's statue, and he said to the fighters: Let us bow before him."

Chairman Jiang said: "Lei Feng is the PLA's honor, and the Chinese people's honor. When we emulate Lei Feng, we should emulate his spirit of serving the people wholeheartedly and his selfless contributions."

Soon afterward, the CMC made the decision of learning from Comrade Lei Feng again, and the Lei Feng spirit become a powerful spiritual strength of the Armed Forces in meeting new challenges.

Of all the heroes and models of the new period, Chairman Jiang singled out two and inscribed messages urging all officers and men in the Armed Forces and the people to emulate them.

One was Su Ning, chief of staff of an artillery regiment under the Shenyang Military Region, who gave up his life heroically saving a comrade-in-arms. Chairman Jiang personally read Su Ning's military dissertations, and he was very much impressed with the scientific thinking and sense of defense which Su Ning demonstrated in his dissertations. On 9 April 1993, Chairman

Jiang personally inscribed this message: "Follow Comrade Su Ning's example, and dedicate to the modernization of the national defense."

That was Chairman Jiang's first message for a military hero.

The subsequent messages which CMC Vice Chairmen Liu Huaqing and Zhang Zhen inscribed for Su Ning also underscored the need to study modern military science and technology.

Another hero for whom Chairman Jiang has inscribed a message was Xu Honggang, a squad leader of a regiment under the Jinan Military Region, who fought heroically with robbers on a bus in order to protect other passengers. On 5 February 1994, when he met with comrades of the group visiting Beijing to report on the courage and heroism displayed by people like Xu Honggang, Chairman Jiang said: Their deeds "reflect the traditions of the CPC and the Red Army, the traditions of the Army cherishing the people and people supporting the Army, and the traditional virtues of the Chinese nation." Two weeks later, Chairman Jiang inscribed a message calling on the whole country and the whole Army to emulate Comrade Xu Honggang, whose heroic deeds grabbed the attention of the whole society and played the powerful theme of the time: "Heroes protect the people, and people love heroes."

Chairman Jiang maintains that, as a big school, the Armed Forces should do a good job in educating people, giving top priority to intensifying ideological and political construction, especially through education on patriotism, revolutionary outlook of life, the need to respect officers and cherish soldiers, and the need to uphold the spirit of arduous struggle. He said: "When our ideological and political education is successful, we can arouse the political zeal of all officers and men in the Armed Forces and heighten their sense of responsibility to dedicate themselves to national defense and to the modernization of the Armed Forces, we can train even more competent personnel, and we can set good examples for society."

This perceptive observation is Chairman Jiang's macroscopic concept for grass-roots military construction and training of competent personnel, following the general requirement he set for military construction — that the Armed Forces must "be politically qualified and militarily competent, maintain a good work style, be strict in discipline, and be powerful in defending the country." The personal example he set in grass-roots units, and his care for grass-roots officers and men in the last five years not only show the kindness of a magnanimous elder for young people, but more importantly, his high

expectations for the Armed Forces and the country in the future.

Jiang Teachings on Army Management Implemented

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[By reporters Wang Zhiyun (3769 1807 5089) and Cao Zhi (2580 2535): "The Implementation of Jiang Zemin's Instructions on Strict Army Management Brightens the Image of the Civilized and Mighty Army"]

[FBIS Translated Text] Beijing, 1 Aug (XINHUA) — Various units of the People's Liberation Army (PLA) have seriously implemented Comrade Jiang Zemin's instructions on strict army management and "The Decision of the Central Military Commission on Strengthening Army Management and Education," carried out strict management according to stringent discipline, trained perfect work style, and made the image of the civilized and mighty army even more brilliant.

Jiang Zemin recently pointed out that it will not do for any collective to have no organization and discipline. This is especially true of the Army. Without strict management and stringent discipline, the Army cannot be properly managed. In view of the characteristics in the new situation, the Central Military Commission issued at the end of last year the decision on the management and education of the armed forces. According to the concerned department of the General Staff Headquarters, various units of the armed forces have universally given training to leading members in charge of management and education work, to people in charge of military affairs and equipment departments, and to grass-roots cadres to raise the management level of troop leaders. Various units have proceeded from grasping weak links, carried out strict management, and enforced stringent discipline. In light of a characteristic commonly found in many troops garrisoned in cities, garrison commands of the whole Army have made greater efforts to supervise army men and military cars going out of garrisons and have corrected the phenomenon of discipline violation. Major units such as the Navy, the Air Force, the 2d Artillery Corps, the State Commission of Science, Technology, and Industry for National Defense, the Chengdu Military Region, and the Lanzhou Military Region have laid stress on improving the work style and discipline of leading organs. Leadership and leading organs at various levels have set good examples for Army units in implementing rules and regulations and in observing discipline. The Jinan Military Region has carried out special education and consolidation among the ranks of volunteer soldiers so that the phenomenon of

violation of discipline has been corrected among them and the role of backbone soldiers has been increased. Many units have also strengthened the management of units on Saturdays and Sundays and the management of small, remote, and scattered units to maintain a high degree of centralization and unity.

In the course of carrying out strict army management, various military units of the Army have always put ideological education in the most important place, have integrated management with education, and have raised the consciousness of officers and men in enforcing discipline. In combining with the ongoing education on patriotism, making contributions, having a revolutionary outlook on life, respecting cadres and loving soldiers, and conducting an arduous struggle, various Army units have made great efforts to grasp the study of the "Decision," rules, and regulations and to strengthen the sense of discipline among officers and men. The Shenyang Military Region has proceeded from analyzing the situation of army management and education, summed up experience, and drawn lessons, and have laid stress on the education of managers on willing to managing work, being skillful in doing managing work, and establishing a good image of their own in the new situation. In the Beijing Military Region, 4,500 leading cadres at various levels have gone deep into grass-roots units to grasp work of education and implementation. In light of the characteristic that most units are garrisoned in coastal open areas, the Guangzhou and Nanjing Military Regions have, in their management, paid special attention to guiding the officers and men to strengthen their patriotic sense of mission, their sense of collective glory, and their pride in revolutionary heroism, and to keep firmly in mind the objective of wholeheartedly serving the people. The Beijing Garrison Command has linked the education on a revolutionary outlook on life with the fulfillment of the duties of the Army and has extensively conducted activities of competing with one another to become civilization guards. The broad masses of guarding fighters have increased their consciousness in properly standing guard for the people of the capital and in making contribution to maintaining social stability.

Through conducting management education, army discipline has been further strengthened, the required standards for appearing and bearing have been maintained in the whole Army, the order of preparation against war, training, work, and life has been more regularized, the phenomena of various kinds of discipline violation has been reduced, serious accidents due to administrative negligence have decreased, and large numbers of advanced units in terms of management and education which observe discipline and pay attention to civiliza-

tion have emerged. Education and training work in various aspects have been satisfactorily carried out.

Liu Huaqing Surveys Army Building in Harbin

*HK1408072495 Beijing JIEFANGJUN BAO
in Chinese 15 Jul 95 p 1*

[Report by reporter Zhang Haiping (1728 3189 1627) and special correspondent Shu Chunping (5289 2504 1627): "CMC Vice Chairman Liu Huaqing Stresses Need To Bring Forward the Army's Fine Tradition of Seeking Truth and Doing Substantial Work and Set High Standards for Augmenting Comprehensive Army Building When Conducting Investigation and Study in Army Units Stationed in Harbin"]

[FBIS Translated Text] When conducting investigation and study among army units of the Shenyang Military Region [MR], the Air Force, and units of the People's Armed Police stationed in Harbin from 8 through 14 July, CPC Central Committee Political Bureau Standing Committee member Central Military Commission [CMC] Vice Chairman Liu Huaqing emphasized the need to carry forward the fine traditions of our army, maintain the true colors of the people's army, foster the work style of seeking truth and doing substantial work, and set high standards for strengthening army building in an all-round way.

Accompanied by Shenyang MR Commander Wang Ke, Vice Chairman Liu recently went down to the training grounds, companies, platoons, squads, and livelihood service centers to conduct investigations and study. There, he had discussions with grass-roots officers and men and leading cadres. Vice Chairman Liu inspected the field command automation system at an unidentified division and watched the field maneuver at an unidentified regiment, where highly capable soldiers fired live shells from moving vehicles and infantry soldiers marched for five kilometers. Vice Chairman Liu also visited the second platoon under the eighth company of a certain Red Army Group to find out about the launching of education on the revolutionary outlook on life. He had earnest discussions with the fighters of the platoon on what was a revolutionary outlook on life and how to foster a correct outlook on life, and listened to fighters talk about their ideological changes before and after joining the army and before and after the launching of education on the revolutionary outlook on life. He sincerely encouraged fighters to follow the example set by our countless revolutionary predecessors in firmly bearing in mind the aim of our army in wholeheartedly serving the party, learning from Lei Feng and Su Ning [5685 1337], and carrying on the cause of revolution.

Vice Chairman Liu visited the Su Ning Memorial Hall when he inspected an unidentified artillery regiment. During the visit, he earnestly told the regiment leaders: We must do a good job of spreading Su Ning's spirit. Su Ning first set an example with his own deeds and then led others to do the same. When he told his unit to do something, he would first do it himself. When he told his unit not to do something, he would first refrain from doing it. When there is unity between officers and men and when the leadership and rank and file are of one mind, there is fighting strength. We must take these glorious traditions and historical honors as living teaching materials to teach the officers and men that this army of ours has grown to maturity by inheriting and carrying forward its fine traditions. During the investigation and study trip, Vice Chairman Liu also repeatedly emphasized the importance of maintaining the true colors of the people's army, carrying forward the traditions of the old Red Army, and being able to withstand ideological and political tests. He said: Only by maintaining the traditions and true colors of the people's army and inheriting and carrying forward these glorious traditions will we have a solid foundation for the political building of our army. The glorious history of our army tells us that the primary task in the political building of our army is to absolutely obey the party's leadership and heed the party's command at all times.

Vice Chairman Liu emphasized the need to maintain a correct orientation in the guiding ideology of work and to rectify and improve the style of leadership every time he had discussions with leading cadres at all levels. He said: Party committees and leaders at all levels must establish the ideological line of seeking truth from facts in their work. They must seek truth and deal with concrete matters in their work and must proceed from reality in grasping implementation. We should understand that if there are deviations in our guiding ideology, construction as a whole will suffer. Proceeding from reality in everything is the gist of Mao Zedong Thought and Deng Xiaoping's theory of building socialism with Chinese characteristics. Party committees and leaders at all levels must pay great attention to this question. They must not indulge in bureaucratism, formalism, or subjectivism. They must work in a down-to-earth way, have a profound grasp of the instructions of the higher authorities, be good at grasping implementation in conjunction with the actual situation in their own units, and combine the instructions of the higher authorities with the actual work in their own units. Very often, ostentation and formalism are to blame for their failure to implement some of the instructions. They affect the all-round building of our troops. Party committees and leaders at all levels must maintain a correct orientation in their guiding ideology

and methods of work. They must truly be able to use Mao Zedong Thought and Deng Xiaoping's theory of building socialism with Chinese characteristics to guide our work, and strengthen the all-round building of the troops in accordance with the "five-point" general requirements put forward by Chairman Jiang.

Vice Chairman Liu paid great attention to the troops' ideological and political development. He emphasized the need to do a good job in building party committees and party branches. He said: It is an important duty of party committees and party branches at all levels to see to it that companies have a good company commander, a good instructor, a good party branch, and a good contingent of cadres. Only if the contingent of cadres is really up to the mark will the army be able to pass the stiffest test. He urged the troops to do a good job in conducting in-depth "education on four aspects" in the light of the ideological reality of their officers and men. He greatly approved of the practice of a certain group army in using revolutionary truth to refute crooked ideas and providing officers and men with correct guidance on how to conduct themselves in society in its education on the revolutionary outlook on life. He said: Criticizing evil ideas can help foster healthy practices and suppress evil practices. He urged the troops to enhance their sense of purpose in ideological and political education. In political education, it is necessary to see to it that officers and men can understand and heed what they are taught, and to guide them to apply what they have learned in actual practice.

In the course of investigation and study, Vice Chairman Liu paid meticulous attention to the combat readiness and military training of the troops. Everywhere he went, he showed great interest in the quality of training and the progress of training reform, and had repeated and in-depth discussions with comrades of different units on new conditions and new problems encountered in combat readiness duties and training. He emphasized the need to proceed from the needs of army modernization in strengthening combat readiness among troops and to conduct more maneuvers to improve the organization and command capabilities of commanders. Continuous efforts need to be made to study new methods for winning victories in future wars fought under hi-tech conditions. Commanders at all levels must master the knowledge of modern wars, combine the study and application of modern science and technology with training on using existing equipment, lead the troops in undergoing rigorous training, and complete the training tasks with high quality.

During his investigation and study trip in Harbin, Vice Chairman Liu also gave important directives on strengthening logistics support for the troops, improving

the material and cultural life of the troops, doing a good job among veteran cadres, strengthening the building of the People's Armed Police, and other work. Vice Chairman Liu urged the vast numbers of commanders and fighters to conscientiously implement Comrade Deng Xiaoping's army building concept for the new period and to make greater contributions in building a revolutionary, modern, and regular army under the leadership of the party Central Committee and Central Military Commission with Comrade Jiang Zemin at the core.

Accompanying Vice Chairman Liu on his investigation and study trip were Huai Guomo [2037 0948 2875] from the Commission of Science, Technology, and Industry for National Defense; Shi Yunsheng [4258 0061 3932] from the Navy; Cheng Jianning [4453 1696 1337] from the General Office of the Central Military Commission; Tian Fengshan [3944 7685 1472] from Heilongjiang; and other leading comrades.

Xiao Huaishu Visits Shenxianwan Post

OW1108144195 Beijing XINHUA Domestic Service in Chinese 0233 GMT 3 Aug 95

[FBIS Translated Excerpt] Urumqi, 3 Aug (XINHUA) — During the "1 August" Army Day period, a pleasant atmosphere can be felt in the Shenxianwan post on the top of Karakorum Mountain in the western border of the motherland. Major General Xiao Huaishu [5135 2037 2873], director of the Political Department under the Lanzhou Military Region, led his working group to come a long way to visit the officers and soldiers stationed there.

The Shenxianwan post, 5,380 meters above sea level, is covered by snow all the year round. The oxygen level here is less than half that at sea level. [passage omitted]

Article Refutes 'Theory' of 'Military Threat'

HK1408084095 Beijing RENMIN RIBAO in Chinese 28 Jul 95 p 7

[Report: "Facts Speak Louder Than Words — Refuting 'Theory of Military Threat From China'"]

[FBIS Translated Text] In recent years, some people overseas have continuously made an issue of China's military spending and concocted the "theory of China's military threat" to mislead the public, sow discord between China and its neighbors, and damage China's international image. A RENMIN RIBAO reporter recently interviewed Doctor Hu Ping [5170 1627], research fellow at the China International Strategic Studies Association. With adequate data and facts as well as international comparison of various factors, he convincingly refuted this fallacy.

[Reporter] Some people abroad have spread the "theory of China's military threat," which is mainly based on "the drastic increase in China's defense spending for successive years." What is the actual situation?

[Hu] The relative proportion of defense spending in a country's national economy has always been the main index judging a country's level of defense spending. The proportion of China's defense spending in its national economy has dropped continuously over the past 20 years. According to calculations by the China Statistics Almanac, the proportion of China's defense spending in its gross domestic product [GDP] was 4.68 percent in 1978, 3.1 percent in 1983, 1.55 percent in 1988, 1.36 percent in 1993, and 1.26 percent in 1994. According to this year's estimated economic growth of 9 percent and inflation rate of 15 percent, the 1995 defense budget will account for only 1.16 percent (estimate) of the year's GDP.

Although the actual figure for China's defense spending has increased in recent years, the growth in real purchasing power is very limited when the inflation rate at the same period is considered. For example, China's defense spending in 1993 increased by 16.7 percent over 1992 while the price index rose 13.2 percent. Defense spending in 1994 actually increased 29.3 percent, but the price index increased 21.7 percent. The defense budget for 1995 increased by 14.6 percent over 1994, lower than the estimated inflation rate of 15 percent. Therefore, the so-called allegation of the "drastic increase for successive years" does not hold water.

[Reporter] You said that the proportion of China's defense spending in its GDP has been lower than 1.4 percent since 1993. What is the situation when the figure during the same period is compared with other countries?

[Hu] According to figures from "Military Balance," published by the London International Strategic Research Institute in October 1994, countries used an average of 3.5 percent of their GDP for defense in 1993. Of the 92 major countries (regions) in the world, the proportion of defense spending accounted for over 10 percent of GDP in seven countries; the figure accounted for 1.5 to 9.9 percent of GDP in 74 countries; and the rate accounted for less than 1.4 percent of GDP in 11 countries, including China. Table 1 shows the proportion of defense spending of some countries in their 1993 GDP. It sufficiently proves that China's defense spending remains at a low level.

Table 1

Country	Proportion of Defense Spending in %\ GDP
Russia	6.64
United States	4.66
Malaysia	4.25
Republic of Korea	3.57
France	3.22
Britain	3.19
Thailand	2.76
Poland	2.46
Argentina	2.45
Australia	2.35
Philippines	2.18
India	2.17
Germany	2.03
Finland	1.98
Hungary	1.96
Vietnam	1.73
Indonesia	1.45
China	1.36

[Reporter] You used relative indices to prove that China's defense spending remains at a low level in the world. Is this also the case viewed from absolute values?

[Hu] Viewed from either relative indices or absolute values, China's defense spending belongs to the lower ranks of the world. Absolute value usually refers to three group of figures: Total defense spending, national per capita defense spending, and average serviceman's defense spending. Viewed from the figures published by the London International Strategic Research Institute, of the total defense budgets exceeding \$700 billion of 92 major countries (regions) in the world for 1994, China's defense spending was only \$6.3 billion, accounting for less than 1 percent; China's average per capita defense spending was \$5.3, ranking 87th; and average serviceman's defense spending was \$2,069, ranking 85th. Table 2 compares the three groups of figures for the 1994 budget of certain countries. Viewed from any angle, the figures indicate that China's defense spending is far lower than that of developed nations and also

lower than most developing nations. This is an important manifestation of the defense nature of China's Army.

Table 2 (The figures in this table are based on "Military Balance," published by the London International Strategic Research Institute in 1994.)

Country	Defense Budget (\$ billion)
United States	280.6
Japan	42.1
France	35.6
Germany	35.3
Britain	34.0
Italy	16.1
Republic of Korea	14.0
Saudi Arabia	13.9
Canada	9.0
India	7.3
Australia	7.3
China	6.3
Country	Per Capita Defense Spending (\$)
Israel	1,412
United States	1,081
France	615
Britain	584
Germany	436
Japan	336
Malaysia	142
Thailand	59
Indonesia	11.7
India	8
Vietnam	6
China	5.3
Country	Servicemen's Per Capita Defense Spending (\$)
Japan	177,000
United States	170,000
Britain	134,000

Country	Defense Budget (\$ billion)
Australia	118,000
Germany	96,000
France	87,000
Italy	50,000
Malaysia	24,000
Republic of Korea	22,000
Thailand	14,000
India	5,770
China	2,069

[Reporter] Some commentary abroad includes China's spending on internal defense and security, and production and sales of ordnance industry, in national defense spending, believing that China's actual military spending is higher than published figures. What is your opinion?

[Hu] The so-called assertion of China's hidden national defense spending is groundless. In light of general practice, the paramilitary spending and security maintenance spending of most countries are not included in their national defense spending. According to figures carried in the 1992 Government Financial Statistics Almanac published by the International Monetary Fund, of the financial spending of the U.S. Government in 1990, defense spending was \$295 billion. In the same year, the Federal Government spent \$11 billion in the name of "public order and security," state governments spent \$23 billion, and organs under the states spent \$46 billion. For example, expenses of the U.S. National Guard derive from state government budgets. Even though the Coast Guard belongs under the U.S. Armed Forces according to law, their expenses come from the U.S. Transportation Department rather than national defense spending. Those who advocate the "theory of China's military threat" have exaggerated China's paramilitary spending for no reason. By including such expenses in China's national defense spending and using this to play up the theory of China's military threat, they are deceiving themselves as well as others.

In light of general practice, the countries of the world also do not include the expenses of ordnance enterprises and their sales income in national defense spending. For example, expenses or incomes of ordnance enterprises of the United States and other Western nations, whether public or private, are related to the orders placed by national defense and are not directly related to national defense spending. As is known to all, tremendous changes

have taken place in China's economic structure since the introduction of reform and opening up, and most of the former national defense and ordnance enterprises are no longer related to the military, so the army must pay for military supplies. As with most countries, the profits made by China's enterprises producing military supplies are income which has nothing to do with national defense spending. The profits are used for paying taxes to the state and enterprise internal distribution. Here, the issue of subsidizing military spending is simply out of the question. Moreover, orders placed for military supplies have dropped in recent years. A considerable number of ordnance enterprises do not have enough work to do. Some are suffering from deficits while others have made meager profits. The whole trade needs some support and subsidies from the state to convert from producing military supplies to civilian goods. Clearly, these expenses simply cannot be regarded as defense spending. They belong to the category of outlays for current enterprise reform.

Because of the high inflation rate and tight military spending in recent years, China's army did launch production and operation activities of a certain scale to moderately subsidize servicemen's livelihood. To eliminate malpractices arising from the army's production and operation, China's army has since 1993 withdrawn from many fields of production, except agriculture and sideline occupations. Since its founding, China's army has maintained its fine tradition of being a combat, work, and production team. Today, China's army still maintains limited production and operation activities, which are mainly aimed at establishing closer army-people and army-government relations and alleviating state's burden as much as possible, and its political and social significance far outstrips economic significance.

Moreover, in the economic statistics of developing countries, there may be a great difference between calculations based on exchange rate and par of purchasing power. What is more, while estimating and quoting China's military spending, some foreign countries intentionally or unintentionally confuse the par of purchasing power with exchange rate figures. The great difference and misunderstanding is thus imaginable. For instance, in its 17 July issue U.S. NEWSWEEK carried an article playing up China's military threat. The article said that figures comparing defense spending between China and East Asian countries were taken from "Military Balance" published by the London International Strategic Research Institute in 1994. The article continued that China's defense spending accounted for 5.4 percent of its GDP. When the figures were verified from the same source, it was found that the figures provided by the author were derived from the comparison between national

defense spending based on par of purchasing power and GDP based on the exchange rate. In fact, the source also provided figures for China's GDP based on par of purchasing power. If the figures are calculated on the basis of par of purchasing power, the proportion of China's defense spending would account for only 1.05 percent of GDP, which is even lower than the 1.45 percent calculated on the basis of the exchange rate provided by the same source. With political motives, the author of the article apparently adopted the usual means to distort the figures and mislead the readers.

[Reporter] In your opinion, what is the crucial point and motive of those who are playing up the "theory of China's military threat?"

[Hu] A comparison of the aforementioned figures, facts, and defense levels clearly shows that the allegation that China's drastic increase in defense spending for successive years constitutes a military threat to other countries is untenable. The "theory of China's military threat" uses the logic of outdated geographic strategy and power politics to judge China's interests and intentions, believing that China's development will lead to its conversion from economic to military strength, which will constitute a threat to the outside world. This absolutely does not conform to China's understanding of its own interests and China's way of thinking. China holds that its fundamental interests lie in peace and development, which has become the historic choice of the Chinese Government and people. We cannot deny the fact that some people attempt to play up the "theory of China's military threat" to contain China's development or to benefit (such as from arms sales) from sowing discord between China and its neighbors. Nevertheless, the fictitious "theory of China's military threat," which cannot withstand the test of facts, will eventually be negated in the process of history.

Nanjing Holds Air Defense Warning Exercise
OW1108133895 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1020 GMT 7 Aug 95

[FBIS Translated Text] Nanjing, 7 Aug (ZHONGGUO TONGXUN SHE) — An air defense warning exercise was recently held in the ancient city of Nanjing to enhance residents' consciousness of national defense and their concept of preparations against war.

At 1000 on the morning of 31 July, air defense sirens suddenly sounded in Jiangsu's Nanjing city. First, it was the preparatory alarm which was sounded for 36 seconds and then sounded again after pausing for 24 seconds. A total of three preparatory alarms were sounded. Later, air defense sirens sounded an emergency alarm. Sirens sounded for 6 seconds and paused for 6 seconds, and

the alarm was repeated for total of 15 times. Forty-nine sirens in Nanjing city sounded at the same time with the sound exceeding 200 decibels.

People in Nanjing had not heard an air defense alarm for seven years, and were quite unfamiliar with it. When the sirens sounded the air defense alarm, many residents looked up to watch and made all kinds of guesses. However, the concerned department had extensively announced and publicized the air defense exercise beforehand, and so residents were not frightened.

According to an authoritative explanation by the Office of People's Air Defense in Nanjing, the air defense exercise was meant to enhance residents' consciousness of national defense and their concept of preparations against war. It was a test to familiarize residents with the signals of the air defense warning system.

Efforts To Convert Military Technology Examined
OW1308150495 Beijing XINHUA Domestic Service in Chinese 0716 GMT 4 Aug 95

[Article by XINHUA reporter Xu Jingyue (1776 0079 6460): "A Choice of Strategic Significance — A Report on Chinese Government's Attention to the Transfer of Military Technology to Civil Use"]

[FBIS Translated Text] Beijing, 4 Aug (XINHUA) — At the recent '95 China International Symposium on the Transfer of Military Technology to Civilian Use in Beijing, officials, experts, and entrepreneurs from 19 countries and regions spoke highly of China's efforts in transferring military technology to civilian use and unanimously maintained that bringing benefits to mankind via the peaceful application of military technology is another great contribution of the Chinese Government to the world.

Looking back on the Chinese Government's experiences in attaching importance to the transfer of military technology to civilian use and the achievements already achieved, we can proudly say China is worthy of this praise and that the undertaking of bringing benefits to mankind by peacefully using military technology will surely continue to thrive and develop.

Seize the Opportunity for Peace and Development

On an inspection tour in south China in the spring of 1992, Comrade Deng Xiaoping expressed his heartfelt joy at the mention of the transfer of military technology to civilian use in China. He said: We are at quite an early stage in having our national defense industry combine military with civilian production, and we are right to do so.

The achievements made by China have become the focus of world attention: The national defense industry has built nearly 700 production lines for civilian products across the country. The annual output value of civilian products manufactured by nuclear, aviation, electronics, weaponry, ship-building, aerospace, and other sectors of national defense industry grows at a rate of over 20 percent, a nearly 2,000-percent growth compared with that at the beginning of reform and opening up, and its proportion in total output value of the national defense industry has increased from 8 percent 15 years ago to over 70 percent.

It is Comrade Deng Xiaoping who made China walk in the forefront of the world in transferring military technology to civilian use.

Following the Third Plenary Session of the 11th CPC Central Committee, the demand for military products declined, and together with the shift in the CPC's work focus, military enterprises were faced with new choices. Comrade Deng Xiaoping was the first to propose the strategic idea that the industry of defense science and technology subordinate itself to the general interest of national economic construction and take the road of combining military with civilian production. He repeatedly stressed: The combination of military with civilian production and supporting military industry with civilian production must be introduced into national defense industry; it is necessary to promote the combination of military with civilian production, with military as our main concern, under the state's unified plan. The general principle is let half of the manpower engage in civilian production; after automation is realized, two thirds of manpower can engage in civilian production; this path is correct.

Talking with relevant military leaders one evening in January 1982, he again clearly proposed that the defense science and technology industry must "combine military with civilian production, manufacture products for both peacetime and wartime use, give priority to the manufacture of military products, and support military industry with civilian production."

Speaking at a forum held by the Central Military Commission in November 1984, Comrade Deng Xiaoping said: "Our national defense industry, which is well equipped and has a huge contingent of technicians, should be put to full use in every aspect of national development to help boost civilian production. If these things are done, they can have only good results."

Following the reduction of forces by one million troops in China, the national defense industry started a course of hard working on the pioneering cause of transferring military technology to civilian use. Speaking on the

nuclear industry, Comrade Li Peng has said: If we call the fairly complete system for the industry of nuclear science and technology, which was established 30 years ago, the first pioneering cause, then present "guarantee for the transfer of military technology to civil use" is the second pioneering cause.

In the first half of 1986, party and state leaders held many discussions with experts, at Zhongnanhai, satellite launching centers, and other places, on issues about the development of each sector under national defense industry, with a view to upgrading the work of transferring military technology to civil use from a partial industry-related principle to the level of state development strategy.

Speaking on his experiences working at the front of industry of national science and technology over the years on 19 December 1990, Comrade Jiang Zemin maintained that one of his experiences in developing the industry of national science and technology was to coordinate all the activities of the nation as in a chess game and pool the superior forces to wage a war of annihilation.

It was in this year that the Chinese Government further made it clear that implementing the principle of combining military with civilian production and making defense science and technology industry serve national economic construction and the modernization of national defense are important component parts of the state's development strategy. The Chinese Government drafted and organized the implementation of a development program for transferring military technology to civil use and introduced a series of policies conducive to the combination of military with civilian production, which brought the development of civilian products onto the track of national economic development. The Chinese Government also raised a certain amount of funds for transferring military technology to civil use, initiated some 700 technical transformation projects concerning the transfer of military technology to civil use, and built hundreds of production lines for civilian products, so that over half of enterprises have their own key products.

Moreover, the state has worked out the "program for providing loans to projects for military-turned-civilian technological development" and the "program for military-turned-civilian scientific research and development," as well as arranged the launch of thousands of development projects, bringing a considerable quantity of products to the international standards of mid- and late-1980s.

Civilian Production Enters the Fast Lane

On 14 September 1989, Comrade Jiang Zemin inspected Xian Aircraft Manufacturing Corporation. He toured the scientific research department, production lines, and facilities related to the test flight research institute with great interest; inquired about the details on the company's scientific research, production, the situation of overseas aircraft production, and the prospects of development; then he expressed his views. He said: Theoretically speaking, we absolutely have the conditions to develop main-line airplanes here. From now on, we should use our limited funds to support key enterprises and comprehensively and fully bring out the best of backbone enterprises on certain scale.

Several years have passed, China's production of civilian airplanes has developed from nothing and from a small scale to a large one; it has produced 20 models or more and exported over 50 feeder civilian airplanes.

During an inspection tour to Hunan, Comrade Jiang Zemin visited the University of Science and Technology for National Defense on 17 March 1991. He watched the Galaxy supercomputer, which was still under development, and viewed a series of important fruits of scientific research of advanced world standards for civil use, such as sampling the magnetic suspension train, the biped robot, and the Girl Weaver Rocket [zhi nu huo jian 4930 1166 3499 4628]. He remarked: The achievements of scientific research should be promptly transferred into productive forces and combat power, so as to serve national economic and social development as well as army building.

In February 1991, Comrade Li Peng visited Huanyu Machine-Building Factory, Liyang Machine-Building Company, Shuangyang Machine-Building Factory, Fenghua Refrigerator Factory, and other military enterprises in the remote mountain valley of Guizhou, which is located in the vast third line [strategic rear regions], to learn about the situation of military-turned-civilian production. He hoped that local military enterprises would continue to serve the modernization of national defense, and, in the meantime, fully take its advantages of personnel, technology, and equipment to strive for expanding the production of civilian products and bring about the revitalization of local economy. Today, many brand-name household electric appliances are produced by military enterprises and the annual color TV output of military electronics enterprises accounts for 30 percent of the country's total.

Talking with comrades from the sector of nuclear industry, Comrade Li Peng noted that attention should be paid to three aspects in transferring nuclear technology to civil use: 1. make nuclear power the focus in the as-

pect of service and strive for its greater development in next century; 2. widely discover more uses for nuclear technology, instead of remaining at the stage of testing and exhibition; such technology should be further popularized, so that it will contribute more to national economy and people's life; 3. the industry of nuclear science and technology should make itself the key link and develop a diversified economy, so as to reach all quarters of social life. Nuclear industry has become a backbone industry of China's national economy today. The construction of nuclear power industry started from nothing and the Nos. 1 and 2 power generators of Qinshan Nuclear Power Plant and Dayawan Nuclear Power Plant were successively put into commercial operation in 1994. The industry for the application of isotope and other nuclear technologies has taken shape and over 800 kinds of isotopic products have been put into production.

Let Military Technology Bring Benefit to the Whole Mankind

Turning advanced military science and technology into productive forces to bring benefit to everyone is a common demand of people in various countries. Since China's national defense industry shifted its strategy to transferring military technology to civilian use, it has attached great importance to enhancing world cooperation.

Today, China's national defense industry has established economic and technical cooperation and trade links with dozens of countries and regions in the world. One area in particular has been in industries using the latest high technology transferred from the military, such as civilian aircraft, applied satellites, nuclear power plants, applied electronic technology, and civilian vessels.

On 7 April 1990, China's "Long March III" carrier rocket successfully launched the "Asia-I" telecommunications satellite. Having watched the launch of the satellite at the commanding center of the Commission of Science, Technology, and Industry for National Defense in Beijing, Comrade Li Peng said: The successful launch of the "Asia-I" satellite not only indicates that China's rocket and satellite technology has entered a stage of maturity and application, but also has entered the international market.

On 17 April 1991, Comrade Jiang Zemin came to Xichang Satellite Launching Center and, standing in front of the launcher where China's first self-developed experimental satellite, first cluster carrier rocket, and first foreign-made commercial satellite were launched, encouraged defense scientists and technologists to take a new step toward international cooperation in aerospace technology.

While the national defense industry expands the export of civilian products, it also vigorously attracts capital and technology from abroad, and projects and enterprises jointly invested and run by nuclear, aviation, electronics, weaponry, ship-building, aerospace, and other sectors of national defense industry with foreign countries are on the rise.

The construction of Guangdong's Dayawan Nuclear Power Plant, the largest Sino-foreign joint venture in China so far, was a concern of party and state leaders. In spite of the heat, Comrade Jiang Zemin inspected the construction site of the nuclear power plant on 21 June 1990. He hoped that Chinese and foreign staff would closely work together and successfully build the nuclear power plant. Comrade Li Peng also came here on 9 February of the same year; it was his eighth visit to the place since the site of the nuclear power plant was decided and the inception of construction. He held the hands of a foreign expert and said: This project is the result of China's reform and opening up, and a template of external economic cooperation. The Chinese Government has the obligations to offer necessary conditions for the construction of the project, but also has the responsibility to ask everybody to construct this project well.

Military technology was still something new for the Chinese people 15 years ago. Now China's national defense industry has transferred over 3,000 military technologies to civil use and has signed 30,000 contracts for technology transfer. People are enjoying the fruits of the peaceful use of military technology almost everyday.

PLA Intensifies Study of 'Advanced' Role Models

OW1208123995 Beijing XINHUA Domestic Service in Chinese 0302 GMT 3 Aug 95

[By reporter Cao Zhi (2580 2535) and correspondent Li Dawei (2621 1129 0251)]

[FBIS Translated Text] Beijing, 3 Aug (XINHUA) — Activities to further emulate advanced, heroic models among vast numbers of officers and men of the People's Liberation Army [PLA] have effectively boosted political education in the force.

Beginning this year, the PLA, in its efforts to strengthen ideological and political education throughout the force, has turned advanced deeds of many prominent figures emerged from the force and various localities in recent years into live teaching materials for the ongoing education on patriotic dedication, revolutionary outlook on life, respecting the officers and love of soldiers, and waging of the hard struggle. Through such form of activities as reporting, lecturing, and speech sessions as well as essay contests, various units have been able to study

the outstanding deeds of important individuals to guide the vast numbers of cadres and soldiers to foster the right outlook on life and value concept, so as to firmly resist the corrosion of money worship, individualism, and decadent life style. While the General Political Department and various major units engaged themselves in compiling study stuffs and relevant audiovisual materials, other units organized discussion meetings between PLA heroic figures and vast numbers of officers and men.

In emulating heroic models like Kong Fansen, Su Ning, and Xu Honggang, cadres with party membership at various levels throughout the PLA compared those heroic models with themselves, trying to identify the gap that might genuinely help change their ways of thinking and work style. Many leaders in the General Staff Headquarters; the General Political Department; the General Logistics Department; the Commission of Science, Technology and Industry for National Defense; and the Second Artillery Corps led task forces for grass-roots investigations and studies as a solid means to improve grass-roots building. Logistics units under the Shenyang Military Region that preferred to start the campaign from themselves and from ongoing businesses have set the goal to cut by one-third this year's expenses on entertainment, travel, and mileage.

Turning down offers by the organization to have them assigned to the inland on exchange basis, nearly one hundred cadres in the Qinhai Provincial Military District, who have been working hard in the plateau for a long period, decided to stay back and lead their units in achieving new success.

All PLA units have integrated emulation of heroic models with activities designed to strive for the titles of advanced companies and outstanding soldiers to further motivate the vast numbers of officers and men to carry forward the revolutionary spirit of striving for prominence and excellency. This year, dozens of officers and men under the PLA Beijing Garrison were awarded credits or prizes for courageously helping others while on duty. Officers and men of the unit to which Huang Jiguang attached before his death simply took the heroic model as an example to undergo hard training, resulting in the emergence of nearly a thousand outstanding trainees in various fields. When floods hit the southern part of the nation this year, cadres, soldiers, and militiamen attached to units stationed there bravely went like heroes to the rescue of both lives and property.

In studying advanced deeds of good army wives, dependents of cadres serving in the Navy and the Jinan, Guangzhou, and Chengdu Military Regions vowed to follow Han Suyun's example by translating their ardent

patriotism into concrete actions of serving the nation and becoming a model for army support.

Correction to Publication of Book on Wars
HK1408065695

The following correction pertains to the item headlined "Zhang Zhen Hails Publication of Book on Wars"

published in the 9 August China DAILY REPORT, page 29:

Page 29, column one, please make sourceline read: Beijing JIEFANGJUN BAO in Chinese 7 Jun 95 p 1 (correcting month).

General**Minister on Observing Stringent Fiscal Policies**

*OW1408095495 Beijing XINHUA in English
0936 GMT 14 Aug 95*

[FBIS Transcribed Text] Beijing, August 14 (XINHUA)

— The trend of fiscal expenditures far overshooting state budgets must be curbed in order to make sure that the budgetary goals for 1995 will not be missed out, Minister of Finance Liu Zhongli warned at a closed-door meeting here recently.

Statistics show that China's national fiscal revenues in the first six months of this year increased 26.9 percent from the same period of the previous year.

While describing implementation of the fiscal budgets in the first half as "normal", Liu admitted that problems still remain.

National fiscal spendings between January and June soared 27.4 percent over the same 1994 period, far exceeding the budgeted 9.3 percent rise decided in March, according to a news release made public here today.

Local fiscal spendings grew even faster, standing above 30 percent in the first six months of this year.

"The relatively stringent fiscal policies must be carried out throughout the second half of 1995 in order to realize this year's budgetary goals," Liu said.

The current high price indexes have kept high the inflation-beating interest subsidy on bank deposits and treasury bonds, leaving a heavy burden on the central finance, the minister pointed out.

"The central financial situation is still severe," Liu said, adding that issues such as lax tax collection, over-fast growing tax rebates and mounting tax arrears by enterprises must be properly resolved in the remaining months of this year.

"Fiscal budgets must be fully observed and expenditures must be brought under control," Liu emphasized, adding that no new off-budget spendings will be approved except for disaster reliefs.

China has set this year's fiscal revenue growth rate at 9.9 percent and that of expenditures at 9.3 percent, leaving a budgeted deficit of 66.68 billion yuan.

State Assets Reach 754 Billion Yuan in 1994

*OW1108140995 Beijing XINHUA in English
1310 GMT 11 Aug 95*

[FBIS Transcribed Text] Beijing, August 11 (XINHUA)

— The assets appraisal service has been booming in

China, and last year a total of 754 billion yuan-worth of national assets was appraised.

According to Pan Yue, deputy director of the State Administration of State Property (SASP), assets appraisal has become a major intermediary service trade in recent years.

Between 1991 and 1994, the number of authorized assets appraisal agencies increased from 470 to 2,400, and the number of their employees from 6,000 to 38,000.

And the number of annual projects for appraisal also increased from 5,000 to 37,800, while the annual assets value rose to 754 billion yuan (about 89.76 billion US dollars) from 40.4 billion (about 4.81 billion US dollars).

Appraisal has become a necessary means for legal persons in shift of property rights, investment, company reshuffle, equity and contractual joint ventures, bankruptcy and mergers.

Sources said an accounting firm from the US will soon come to Beijing to give seminars on appraisal of enterprises, real estate and machinery, at the invitation of the SASP.

Commission on Increase in Sales of Industrial Goods

*OW1308134095 Beijing XINHUA in English
1317 GMT 13 Aug 95*

[FBIS Transcribed Text] Xiamen, August 13 (XINHUA) — The total sales income of goods produced by industrial firms at or above the town level reached 2,259.6 billion yuan during the first half of this year, an increase of 29.4 percent over the same period of last year.

The growth rate of sales income was 1.8 percentage points more than that of the industrial output in the period, said officials from the State Economic and Trade Commission (SETC) at a meeting on promoting sales of industrial products held here recently.

According to the officials, 94.59 percent of the products manufactured by the firms were sold during the period, up 1.9 percentage points over the same 1994 period.

Manufactured goods kept in stock were enough for sales for 42.2 days, a decrease equivalent to 3.8 days' sales if compared with that of the end of last year.

The total amount of money unpaid for goods to major industries dropped, especially in metallurgical and coal-mining industries.

However, in some fields or regions, things were getting worse. For example, compared with the end of last year, the total value of machinery goods kept in stock increased by 6.545 billion yuan by the end of May of this year, and the consumer goods increased by 14.7 billion yuan.

Officials said the total added value of machinery goods kept in stock accounted for two fifths of the added value of unsold industrial goods produced by firms at or above the town level.

Of the 143 kinds of goods kept in stock, only stocks of 29 kinds reduced, while 112 kinds increased, such as TV sets, steel for rails, gasoline, timber, tyres, cement, automobiles, motorcycles, the officials said.

Shi Wanpeng, deputy minister of SETC, told the meeting that more efforts are needed to reduce production of unmarketable goods and stocks of manufactured goods, improve the quality and efficiency of economic growth.

State Enterprises Remain 'Pillars' of Economy

OW1208142395 Beijing XINHUA in English
1305 GMT 12 Aug 95

[FBIS Transcribed Text] Beijing, August 12 (XINHUA) — China's state-run enterprises remain the pillars of the country's national economy, according to the results of a latest national survey, which were issued here today.

The survey on clearing and checking national assets was recently conducted by the State Administration of State Property on 150,000 state enterprises in accordance with their total assets, net assets, profits and taxes.

The results showed that though the 1,000 state enterprises on the top of the list account for only 0.5 percent of the national total in terms of number, their combined assets make up 40 percent of the total assets of the country's state-owned enterprises.

Their net assets make up 51 percent of the total net assets of the country's state firms, their taxes account for 52 percent of the national total, and their profits, 66 percent of the national total.

The figures also showed that the country's national assets are concentrated in these large or extra-large state enterprises, which play a dominant role in the national economy.

Therefore, experts say that particular efforts should be made to invigorate the state enterprises by continuing their reforms, upgrading their technology and improving their management.

Per-Capita Wages Grow 6.6 Percent

OW1308140395 Beijing XINHUA Domestic Service
in Chinese 0405 GMT 7 Aug 95

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 7 Aug (XINHUA) — During the first half of this year, the average wages of workers and staff members continued to grow rapidly despite a markedly slower growth rate in the total wages of workers and staff members across the nation. Per capita wages were 2,288 yuan, a 28.6-percent increase over the same period last year. After allowing for price increases, the real growth rate was 6.6 percent.

According to statistics, 337.4 billion yuan were disbursed across the nation during the first half of this year as wages for workers and staff members, up 28.3 percent from the same period last year, and down 3.4 percent from the first-quarter growth rate of 31.7 percent. Total wages in state-owned units, collective units in cities and towns, and other units rose by 27.5 percent, 17.6 percent, and 73.7 percent, respectively, from the same period last year. The growth rates all declined markedly from the first quarter.

According to the State Statistical Bureau's analysis, the main reasons for the slower growth rate in the total wages of workers and staff members across the nation are: The number of workers and staff members decreased 694,000 from the same period last year, leading to a corresponding decrease in wages. Price subsidies provided by local governments dropped as a result of a slowdown in price increases since the beginning of this year. The task of subsidizing additional wages toward the end of 1994 as a result of wage reform was basically completed, thus reducing factors that contributed to an increase in total wages.

It is reported that the already-expanded gap between the average wages of various business sectors, regions, and types of workers and staff members is continuing to widen. First, the wages of workers and staff members in state-owned units grew at a noticeably more rapid pace than in collective enterprises in cities and towns during the first half of this year; the average wages of workers and staff members in state-owned units were 2,426 yuan, compared to per capita wages of 1,596 yuan in collective units in cities and towns. As a result, the gap between state-owned units and collective units in cities and towns widened further, while that between the former and other units gradually narrowed.

Second, there was a conspicuous gap in average wages between coastal and interior regions. In terms of economic regions, the average wages in eastern regions during the first half of this year were 2,702 yuan,

while those in west-central regions were 2,001 yuan. Wages in eastern regions were 35 percent higher than in west-central regions, with the result that the differential widened by a further 5.8 percentage points from the 29.2-percent gap in 1994.

Third, the gap between various business sectors widened. Monopoly sectors — finance, transportation, post, and telecommunications — experienced excessive wage increases. Of 15 nonagricultural sectors, those with high average wages were: Finance and insurance, 3,395 yuan; and transportation, warehousing, post, and telecommunications, 3,248 yuan. Wages in the mining and manufacturing sectors were 2,448 yuan and 2,328 yuan, respectively.

Storehouse, Market Construction Investment Noted

*OW1308142495 Beijing XINHUA in English
1406 GMT 13 Aug 95*

[FBIS Transcribed Text] Beijing, August 13 (XINHUA) — China's investment in goods circulation facilities is expected to surpass 110 billion yuan in the 8th Five-Year Plan (1991-1995) period, to meet the demands of the country's booming service industry.

The amount is over five times that in the previous five years.

New circulation facilities built in the period included storehouses for important commodities, commercial outlets, wholesale markets and market information networks.

Storehouses able to hold 33 million tons of grains, 500,000 tons of edible oil, 400,000 tons of sugar, 275,000 tons of cotton, 75,000 tons of chemical fertilizers, and 20,000 tons of pesticides were built during the period.

China has for the first time started the construction of four grain circulation passages with World Bank loans in the 8th Five-Year Plan period.

The construction of these facilities has filled the gap in the country's storing capacity of important goods, and helped the government strengthen its macro-control over circulation and the market.

In another development, 13.5 million commercial outlets have been built across the country, making 11 outlets for every 1,000 people.

Ministry Figures on Farm Machinery Market

*OW1308130095 Beijing XINHUA in English
1253 GMT 13 Aug 95*

[FBIS Transcribed Text] Beijing, August 13 (XINHUA) — Farm machinery market has become brisk in China

since early this year, thanks to the government's consistent efforts in supporting agricultural development with more preferential policies and funds.

The latest statistics provided by the Ministry of Machine-building Industry show that, from January to July the output value of the farm machinery sector reached 41.45 billion yuan (1990 constant price), up 31.6 percent over the same period of 1994. The sales output value rose by 39 percent, to 50.52 billion yuan, and 95 percent of the manufactured goods were sold out.

Entering July, the growth in both production and sales slowed down slightly, still, the hike ranked first among the nine machine-building sectors.

Farm machines, such as tractors, farm internal-combustion engines, combing harvesters, tractor-drawn harrows and plows, farm vehicles and pumps, all saw their output and sales up by a big margin and inventory down sharply.

Combine reapers sold well in the summer harvest season in main wheat yielding areas — Shandong, Henan and Hebei provinces. In the first five months, the country manufactured 5,000-some combines, four times the output at the same period of last year; and sales volume increased by 150 per cent.

A combine factory in Guilin, in southwest China's Guangxi, produced 1,390 such machines during the January-to-May period, ranking first across the country. In the first half of last year, the factory was almost forced to stop running for overstocking, while this year, the long-kept stock was running out thanks to a surge in demand.

An official with the ministry believed that, the brisk market is fueled by the State down-to-the-earth policies to enlarge investment into agricultural production.

This year the State earmarked 67.35 billion yuan as agricultural development funds, an 11 percent increase over 1994. Nearly 90 percent of the sum of money, or 60.4 billion yuan was extended as loans in the first quarter.

Yi Jian, an official in the Department of Agricultural Equipment of the ministry, said that farmers' income is rising, thus forming another propelling factor for the farm machinery market.

The government has raised the purchasing price for grains, cotton and edible oil this year. Farmers realized that they can also cash in on planting grain as doing sideline production, so that they would be willing to put their savings into farming.

11 Firms Selected in Bidding for Oil Field Work

*OW1208075495 Beijing XINHUA in English
0741 GMT 12 Aug 95*

[FBIS Transcribed Text] Jinan, August 12 (XINHUA) — Eleven drilling companies from all over China have won biddings to drill 17 wells in north China's Shengli Oil Field after heated competition.

This is the first time for the Bohai Bay Rim to invite bidding for drilling projects, signalling that the region has moved to set up a market for oil drilling.

The Shengli Oil Field revealed that it has saved more than 1.3 million yuan (about 157,000 US dollars) by inviting others to do drilling work.

The Bohai Bay Rim has six large and medium-sized oil fields, including Shengli, Dagang, Jidong and Zhongyuan. The region's oil reserves account for more than 45 percent of the country's total, according to statistics.

The China National Petroleum Corporation (CNPC) said that, starting in the second half of this year, oil fields in this region will offer one third of the remaining drilling projects for the establishment of a unified market for drilling operations.

At present, there are 31 drilling companies and branches of companies in the region. After evaluation, the CNPC has classified five drilling teams as Class A teams and 321 teams as Class B teams. These teams have been allowed to participate in the competition for drilling there.

It is also learned that the CNPC has decided to offer more projects for competition as a step to improve the oil industry, until all the drilling projects in this region are put on the market.

This year the Shengli oil field will offer another 118 wells to drillers, the CNPC said.

Beijing Improves Electrical Facilities

*OW1208062095 Beijing XINHUA in English
0539 GMT 12 Aug 95*

[FBIS Transcribed Text] Beijing, August 12 (XINHUA) — The Chinese capital has improved its electricity supply facilities to ease off pressure from a increase in the consumption of electricity in Summer.

An official with the Beijing Electricity Supply Bureau said that there will be no power cut by November this year, adding that the city will increase power supply by building more power stations in the suburbs.

The electricity supply and transmission facilities failed meet the growing demand in part of the urban areas last

Summer, which resulted in a large number of complaints among local residents.

The official said that technicians and engineers have checked all the transformers and major sections of wire by July this year, and all transformers with problems have been repaired or replaced.

Actuarial Association To Develop Insurance Sector

*OW1108141095 Beijing XINHUA in English
1317 GMT 11 Aug 95*

[FBIS Transcribed Text] Beijing, August 11 (XINHUA) — China's first actuarial organization, the Chinese Actuarial Association (CAA), is now exerting itself to develop China's insurance sector.

Some CAA members are taking part in drawing up China's first "life table", which reflects the birth and death rates among different age-groups in a country or a region.

"The 'life table' will help insurance companies decide the premiums of different products," said Zhan Zhaolan, a CAA member employed by the People's Insurance Company of China (PICC).

China has had no "life table" of its own since it resumed life insurance services in 1982, and has since used the 'life tables' of Japan and Taiwan.

Most of the CAA members are working in the country's top three insurance firms, namely the PICC, Pacific, and Pingan; others work at higher-education institutions, including Nankai University and the Hunan Institute of Finance and Economics.

The CAA has publicised actuarial knowledge and enlarged the number of China's actuaries who have received formal training, bridging the gap between China and the world in this field.

The CAA was founded at the beginning of this year, and all of its members hold the internationally-accepted qualification certificates of the Society of Actuaries of North America (SANA).

The CAA has conducted exchanges and co-operation with the International Society of Actuaries (ISA), SANA, and other such organizations worldwide.

In July the Woodrow Milliman International Actuary Consultation Network and the ISA awarded Luo Yu, a CAA member, the Sidney Benjamin Memorial Fellowship, which was established in 1994 to train actuaries for the developing countries.

Luo is the first Chinese to win the Fellowship.

Unemployment Compensation Helps Hainan Companies

*OW1408034095 Beijing XINHUA in English
0315 GMT 14 Aug 95*

[FBIS Transcribed Text] Haikou, August 14 (XINHUA) — Unemployment compensation has helped bring a group of companies back to life in south China's Hainan Province.

One of them is the Hongling Rubber Plant which suffered heavy losses for years before seeking help from a government department responsible for setting up an unemployment compensation fund.

Using 100,000 yuan in low-interest loans from the department in 1993, Hongling bought new production equipment for various new items to re-capture a lost share of the market.

The next year saw the plant making 400,000 yuan in profits, and employees' monthly salaries more than doubling the figure of two years before.

"The unemployment compensation fund really gave us a boost when we could not make ends meet," said Lin Wen, head of the rubber plant, which expects output value worth eight million yuan and 900,000 yuan in profits this year.

In 1993, Hainan unveiled its unemployment compensation plan of setting aside 15 percent of unemployment compensation funds for low-interest loans which to be used to breathe new life into businesses that were in trouble and to create job opportunities for unemployed persons.

Several machinery plants, coal mines, and rubber plants received 600,000 yuan in these kinds of loans last year, according to official statistics, and it is estimated that another one million yuan will be provided for poorly-managed enterprises this year.

High-Tech Industry Increasing in Pearl River Delta

*OW1408032095 Beijing XINHUA in English
0140 GMT 14 Aug 95*

[FBIS Transcribed Text] Guangzhou, August 14 (XINHUA) — A new wave of building up high-tech industries has swept over south China's Pearl River delta, which has greatly upgraded the region's competitiveness on market.

The number of high-tech enterprises in the region has increased to 472 whose total annual output value has amounted to 23 billion yuan, according to provincial governmental statistics.

There are six State-level hi-tech development zones in the delta — in Zhongshan, Shenzhen, Guangzhou, Foshan, Zhuhai and Huizhou; the two provincial-level ones are in Dongguan and Jiangmen. About 170 high-tech companies are operating within these zones which cover more than 20 sq km. Their total annual turnover topped 10 billion yuan.

The "Pearl River Delta hi-tech industrial belt" covers eight cities, five counties and one special economic zone.

The industries of the area used to be characterized by low-technology and labor-intensive, which is not suitable for a sustained development and lacks competitiveness, according to economists here.

With the establishment of the industrial belt in the area, a hi-tech development strategy was formed to develop such hi-tech industries as electronic information, bio-engineering, new materials and the integration of light, machinery and electronics industries.

Regional advantages are shown by the development of hi-tech industry in the area. Zhongshan City has set up a State health care industrial base, and Shenzhen has become China's largest base for research, development and production of electronic information technology. Others include Foshan, a base for high-grade plastic packaging materials production, Huizhou, a base for the telecommunications industry and Zhuhai, a base for computer software.

Meanwhile, a number of large group companies have emerged in the area with the development of hi-tech industry. By the end of last year the area had more than 20 hi-tech group companies, with annual production value surpassing 100 million yuan each.

Private hi-tech enterprises have also developed quickly in the area, with 138 such of enterprises springing up in Zhongshan alone, and their total output value reached 700 million yuan in 1994.

Finance & Banking**Official on 'Progress' in Financial Services Market**

OW1308133795 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1020 GMT 7 Aug 95

[FBIS Translated Text] Beijing, 7 Aug (ZHONGGUO TONGXUN SHE) — Recently assessing prospects for opening up the financial sector, an authoritative figure in China's financial circles said: There are broad prospects for opening up the mainland's financial markets. We can soon expect progress in the following five areas:

— Strictly regulating market access. The People's Bank of China has drawn up a program regarding the

establishment of criteria for evaluating foreign-funded financial institutions in accordance with international practice. In principle, permission for setting up business offices will only be granted to financial institutions with substantial assets and capital, good operating records and credit standing, and long-run cooperative relations with Mainland China.

— Granting national treatment to foreign-funded financial institutions in China in a step-by-step manner.

— Opening up renminbi business in a step-by-step manner. The departments concerned are now earnestly studying and exploring the issue of letting foreign-funded banks undertake renminbi business on a trial basis. Cities with the right conditions will be the first to experiment with such business in due course.

— Increasing the number of experimental units for opening up the insurance sector.

— Introducing investment-bank mechanisms from abroad in a step-by-step manner, and opening new channels through which China brings in foreign capital.

There are reports that the relevant authorities are drafting a package of appropriate laws and regulations in conjunction with the move to let in various types of foreign-funded financial institutions. They have drawn up specific provisions regarding the qualifications of institutions to be established, application procedures, business scope, and day-to-day management.

Construction Bank Faces 'Massive Overhaul'

HK1408075895 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 14 Aug 95 p 3

[By Don Lyons]

[FBIS Transcribed Text] The People's Construction Bank of China, the second-largest state-run lending bank in the country, is in for a massive overhaul in the way it conducts business thanks to a US\$250 million grant from the World Bank.

A contract is expected to be awarded this week to one of five international consulting firms that will run a pilot project aimed at transforming the state-owned bank into a Western-style commercial bank.

Alex Lau, Hong Kong country manager and partner with Andersen Consulting, one of the firms short-listed for the contract, said the project would involve the re-engineering of the bank's day-to-day banking procedures to bring them in line with Western banking standards. He said the project could take 10 years to implement.

Virtually all the bank's operations, including organisational structures, financial operations, information systems and human resources would be overhauled along Western-management principles, he said.

However, serious doubts exist in some quarters about just how much the workings of the specialist banks like the Construction Bank of China could actually be changed given the country's existing banking rules and regulations. For instance, the bank has to hire a certain number of retired soldiers every year. It also faces constraints on the setting of interest rates and there are quotas on deposits and lending limits.

Mr Lau said the bank's ability to transform itself would depend on changes to the existing banking legislation and that success in the project would be more assured if Chinese banks "were more autonomous."

Last year, legislation was introduced making the Bank of China the central bank in the country, but financial experts debated if the bank had the clout necessary to push the specialist banks to a more Western style approach. "As everyone knows," said one mainland banker, "our specialist banks have barely made a start in the direction of a commercial bank."

But change was inevitable, Mr Lau said. With the mainland economy moving quickly towards a market-style, it was imperative that these banks changed the way they did business. "The question facing the state banks is that if they don't adapt, they won't survive. The banks are adapting much slower than the economy. Their current way of doing business is becoming a constraint," he said. "They don't have a commercial banking philosophy. They need to become a more professionally run operation." He said they would also suffer at the hands of new banks which were coming into the market-driven economy.

The People's Construction Bank of China has about 342,000 employees in 28,000 branches around the country. Mr Lau said the winner of the \$250 million contract would use a small number of branches to conduct its business re-engineering overhaul. And if the project proved successful, the central government had indicated that it would be willing to overhaul other state-owned banks and enterprises, he said.

Foreign Trade & Investment

Li Lanqing on Improving Investment Environment
OW1308144695 Beijing XINHUA in English 1434 GMT 13 Aug 95

[FBIS Transcribed Text] Tianjin, August 13 (XINHUA)
— Chinese Vice-Premier Li Lanqing said that China

should make unremitting efforts to improve its soft investment environment and quality of use of foreign investment.

Li, also a member of the Political Bureau of the Central Committee of the Chinese Communist Party, made the remarks during his inspection tour of this leading port city of north China on August 12 and 13.

He said that the practice of attracting foreign investment by mainly relying on tax reduction and allowing more profit retaining should be changed, adding that a legal framework and fair competition management environment should be created for all enterprises and a national treatment principle be gradually introduced.

The vice-premier said that China should attract foreign investment by bringing into full play its advantages and improving its investment environment, the soft one in particular.

Li said that China has a huge market, fairly powerful national strength, comparatively qualified labor force, abundant professionally trained personnel resources, and solid industrial, scientific and technological basis, which are strong points from a long-term point of view.

Due attention must be paid to raising the quality of use of foreign investment, importing world advanced technology and management ways to developing new and high-tech, and rationally and effectively using foreign investment, Li said.

While speaking highly of the achievements made in stabilizing prices in this leading industrial city, Li said that the Chinese Government will continue exercising macro-control over commodity prices by giving full play to the state-owned commercial enterprises, minimizing the circulation chains, cracking down on profiteering and market hooliganism and establishing a stable circulation system linking production with consumption.

He said that the commercial reform should be accelerated, chain stores of various kinds be opened, and retail and wholesale-integration and an agency system for production materials be introduced in an attempt to firmly stabilize commodity prices.

While speaking with people in charge of the Tianjin New Technological and Industrial Development Zone and other new and hi-tech enterprises, the vice-premier said that the major problem facing the development of new and high technologies in China is its low industrialization, adding that great importance should be attached to science and technology, which are regarded as the primary productive force.

He said that the development of new and hi-tech enterprises should be integrated with the transformation

of the existing ones, adding China must catch up with and surpass the developed nations in some scientific and technological fields rather than just narrowing the gap with them.

Commodities Inspection Helps Fujian Foreign Trade

*OW1408092695 Beijing XINHUA in English
0830 GMT 14 Aug 95*

[FBIS Transcribed Text] Fuzhou, August 14 (XINHUA) — East China's Fujian Province turned down more than 60 consignments of export commodities worth 8.2 million US dollars that failed in export inspections in the first six months of this year.

This won a fine reputation for the province's exports on overseas markets, officials said, adding that its exports rose by 15.4 percent over the same 1994 period to reach 4.66 billion US dollars.

More than 53,300 consignments of goods worth more than 1.45 billion US dollars were inspected in the six-month period, they said.

The inspections covered transport containers, toys, canned food, textiles, garments, tea and porcelain ware.

Commodities found below standard are banned for export, officials said.

Local governments are determined to crack down on enterprises producing fake and shoddy goods, they added.

Shenzhen Branch of U.S. Computer Firm Discussed

*OW1408091895 Beijing XINHUA in English
0902 GMT 14 Aug 95*

[FBIS Transcribed Text] Beijing, August 14 (XINHUA) — A worldwide survey conducted by the U.S. computer giant Compaq's headquarters has shown that 95 percent of their Shenzhen plant's production is of a high quality, according to CHINA MACHINERY AND ELECTRONICS DAILY here.

This makes it a remarkable three to five percentage points higher than Compaq's other subsidiaries throughout the world.

As the largest PC [personal computer] manufacturer in the world, Compaq has manufacturing bases in the U.S., Scotland, Brazil, and Singapore. The Shenzhen plant was the fifth of its kind, set up last year as a cooperative project of Compaq and the Stone Group, China's largest non-governmental hi-tech enterprise.

Having gone into high-speed production at the beginning of this year, the plant produces 14,000 PCs and

annual output is expected to be worth 150 million U.S. dollars, with most products being sold overseas.

The survey showed that the Compaq computers made in Shenzhen are seeing a surge in sales in Japan and the Republic of Korea because of their high quality.

A representative of Compaq in China noted that, in the foreign computer business, China is not only a good area for sales competition, but also an ideal choice for a manufacturing base, because of the skill of local labor and comparatively-low wages.

Shanghai, Hong Kong Firms Begin Joint Venture

*OW1308152595 Beijing XINHUA in English
1458 GMT 13 Aug 95*

[FBIS Transcribed Text] Shanghai, August 13 (XINHUA) — Shanghai Container Terminals Ltd., a joint venture of the Container Comprehensive Development Company of Shanghai Port and Hutchison Shanghai Port Investment Corporation of Hong Kong, put into operation a 100-meter-long container berth on August 12.

The joint venture, which began operation in August 1993, handles 90 percent of the inward and outward containers at the port, becoming the largest of its kind in the country.

Over the past two years, the joint venture has injected a total investment of one billion yuan (about 119 million US dollars) to improve port equipment and facilities and build new container berths.

By the end of 1995, the joint venture will boast 10 container berths as against seven at present. By then, this container wharf will cover a coastline totaling 2,281 meters as against the current 1,401 meters.

Besides, large container machinery will increase by one third. There will be 16 container bridge cranes and 52 tire cranes at that time.

After the joint venture was launched, its monthly business volume has increased by 58 percent.

In 1994, about 1.13 million containers were handled and the figure is expected to go up by 20 percent this year.

Xinjiang Expands Foreign Economic Cooperation

*OW1208061895 Beijing XINHUA in English
0602 GMT 12 Aug 95*

[FBIS Transcribed Text] Urumqi, August 12 (XINHUA) — The improvement of infrastructural facilities in the Xinjiang Uygur Autonomous Region has attracted more foreign investment and helped more local enterprises to open businesses overseas.

According to Wei Jianguo, chairman of the region's Committee of Foreign Economic Relations and Trade, the region has approved 781 foreign-funded enterprises involving a total of 840 million U.S. dollars in overseas investments. The investors came from 33 countries and regions.

These foreign-funded projects cover dozens of trades including industry, real estate, services, commerce and storage facilities. "Most of them are profitable," Wei said.

One example is the Xinjiang Tianshan Woolen Textile Company Ltd., a joint venture between Xinjiang, Japan and Hong Kong. Its products are sold well on the international market after it went into production in 1982.

Another example is the Xinjiang Tianshan Pharmaceutical Company Ltd., which has exported more than 100 million U.S. dollars worth of licorice products since it imported advanced technology and equipment from Japan and Denmark.

According to the chairman, Xinjiang has invested 120 million U.S. dollars in setting up 502 economic and technical cooperation projects overseas.

Foreign Investment Structure in Zhejiang Improves

*OW1308014895 Beijing XINHUA in English
0125 GMT 13 Aug 95*

[FBIS Transcribed Text] Hangzhou, August 13 (XINHUA) — East China's Zhejiang province has made a further progress in using foreign funds in the first half of this year, with the structure of foreign investment improving remarkably.

In the January-June period of this year, the total number of the foreign-funded projects approved by the provincial government dropped by 40 percent, but the contractual amount of foreign funds and the amount of such funds put to use jumped 15 percent and 20 percent respectively.

This year the provincial government has approved 799 foreign-funded enterprises, with a total contractual investment of 1.597 billion US dollars. The funds actually used hit 617 million US dollars. The range of increase is above the average level of the country.

Local officials said that the structure of foreign investment has become more rational. Many foreign investors have shown enthusiasm for infrastructure projects, primary industries and agriculture.

Meanwhile, the number of large-scale projects funded by foreign investors has been increasing. Among all the

foreign-funded projects approved in the first six months of this year, 43 projects have each used more than 10 million US dollars for overseas investors.

First Joint-Venture Investment Bank Launched

*OW1108130895 Beijing XINHUA in English
1224 GMT 11 Aug 95*

[FBIS Transcribed Text] Beijing, August 11 (XINHUA) — The China International Capital Corporation Limited (CICC), the country's first joint-venture international investment bank, was officially launched here today.

This is another important step China has taken to reform its financial system and promote the growth and internationalization of its capital market.

Headquartered in Beijing and with an initial capital of 100 million US dollars, the CICC was formed by five Chinese and foreign partners, including the People's Construction Bank of China, Morgan Stanley Group Inc. China National Investment and Guaranty Corporation, the Government of Singapore Investment Corporation and the Mingly Corporation Ltd.

The Construction Bank and Morgan Stanley hold the biggest stakes of 42.5 percent and 35 percent, respectively. The other three partners each have a 7.5 percent stake. The total assets are worth 350 billion US dollars.

According to Wang Qishan, the CICC's chairman of the board of directors and also Construction Bank president, the People's Bank of China has promulgated a special regulation governing the country's first joint-venture investment bank, which allows it to engage in assisting Chinese firms and joint ventures to raise capital in the international market, advise Chinese enterprises on restructuring, project financing and corporatization, and provide consultation for foreign investors.

The CICC is also permitted to underwrite marketable equity securities in China's domestic capital market and trade in foreign exchange, as well as make direct investments in China with its own capital.

"The objective of the establishment of the CICC is to have it serve as a model for the development of the investment banking industry in China through introducing the management expertise of international banks, to mobilize more capital for continued economic growth and to create a more standardized and internationalized investment market for Chinese and overseas investors," said Wang.

"The long-term objective is to make it a world-class, full-service international investment bank," he added.

To this end, Wang said, the CICC will entrust Morgan Stanley in its first three years of operation to take charge of a number of business management areas.

Morgan Stanley, meanwhile, will be responsible for training CICC professionals and transferring expertise in investment banking and the capital market.

Swiss Firm Announces Guangdong Ice Cream Venture

*OW1108234695 Beijing XINHUA in English
1746 GMT 11 Aug 95*

[FBIS Transcribed Text] Geneva, August 11 (XINHUA) — Swiss giant food producer Nestle Group Friday [11 August] announced its signing of a contract to establish a joint venture manufacturing and marketing ice cream and chilled dairy products in the south Chinese province of Guangdong.

A press release issued by the company based in Vevey said that the initial investment for the project in the province's capital city of Guangzhou will amount to about 30 million Swiss francs (about 26 million U.S. dollars).

The new business — expected to be known as Nestle Dairy Farm Guangzhou Limited — is between Nestle Dairy Farm Holdings S.A. and Guangzhou People's Food Factory, with 60 percent of its capital going to the Swiss side.

It is also planned that the new enterprise will merge in the near future with an existing minority joint venture there, Guangzhou Refrigerated Foods Limited, which is one of the largest ice cream businesses in China.

It is expected that the merger will place Nestle Group in the leading position for ice cream in south China.

The Nestle Group has so far four plants in Tianjin and Qingdao in the north of China. It is planning to open three more in the two cities and Shanghai and bring its plants in China to total nine by the end of 1996.

Agriculture

Chen Junsheng Comments on Breeding Industry

*OW1308144395 Beijing XINHUA in English
1438 GMT 13 Aug 95*

[FBIS Transcribed Text] Tangshan, August 13 (XINHUA) — China should develop a widely-covered breeding industry to add farmers' wealth and improve ecological environment, according to a senior government official.

"The breeding industry should have a larger share in the national economy so that farmers can have a

"moderately-wealthy life," said State Councillor Chen Junsheng during an inspection tour in north China's Hebei Province at the weekend.

Chen noted that more attention should be paid to the breeding industry since farmland resources are limited in China.

And the breeding industry can not only increase farmers' wealth but produce more food grain and better the ecological environment, he added.

To ensure a constant growth in the breeding industry, Chen said, pillar products and leading enterprises should be developed and science and technology should play an ever more important role in the specialized production.

State To Curb 'Waste of Land' Resources

*HK1408070795 Beijing CHINA DAILY in English
10 Aug 95 p 1*

[Article by Liang Chao: "State Moves To Curb Land Misuse"]

[FBIS Transcribed Text] China is curbing waste of land resources as an increasing amount of land is left barren — earmarked for lucrative building projects.

The problem is caused mainly by some local officials overstepping their power on land requisition, experts say.

The State Land Administration (SLA), China's land authority, has sent out 10 inspection teams to probe the problem in 10 provinces.

The inspection is to be completed early next month.

Major Task

One of the SLA's major tasks this year is to put all cultivated farmland under special protection to make the best use of the country's limited land resources, said a SLA official.

Last month, the SLA issued a circular urging provincial government to look into the amount of land that was left unused and farmland taken out of cultivation over the past few years, especially, land misappropriated for projects in unauthorized development zones.

The investigation has been launched in many provinces and expected to be completed soon in Heilongjiang, Hebei, Gansu, Sichuan, Yunnan and Guizhou provinces.

Now the SLA has urged local authorities to hold the misappropriation of land.

The decree includes golf courses and luxury villas and other lucrative projects on previous farmland.

Investigation in the provinces of Guangdong and Zhejiang have shown the abuse of valuable farmland has become a serious problem.

Experts say the worsening problem can be laid at the door of an overheated real estate market.

A development zone boom in the past two years and some provinces allowing lower level authorities to approve land-use rights also contributed.

Law

Chinese law only authorizes a province's governor to approve project using less than 66 hectares of farmland and 133 hectares of other land.

A county magistrate is only allowed to decide land-use projects occupying less than 0.2 hectare of farmland and 0.6 hectare of other uncultivated land, according to the SLA.

But, the restrictions have been ignored by some local officials who have overstepped their power in requisitioning large areas of State-owned land for unpractical projects or development zones in the name of pushing forward economic reform or attracting overseas funds, said experts.

Scientists Create Herbicide-Resistant Millet

*OW1308081495 Beijing XINHUA in English
0754 GMT 13 Aug 95*

[FBIS Transcribed Text] Shijiazhuang, August 13 (XINHUA) — Chinese scientists have succeeded in cultivating a strain of herbicide-resistant millet, laying a foundation for possible new varieties of millet.

Weed killers have been widely used in agricultural production. But millet is often killed together with weed.

The problem was solved by scientists of the Hebei Millet Research Institute, in north China's Hebei Province. They transplanted the gene of a herbicide-resistant weed into the millet and obtained a new strain of herbicide-resistant millet after two years of cultivation through distant hybridization.

Tests showed that the millet can stand eight times the dose of weed killer enough for killing common weeds. According to scientists of the institute, the new strain has reached the level of practical application.

The institute is a national millet research center and undertakes several international projects. The new strain of millet is the result of cooperation between Chinese and French scientists.

State Statistics Note Rise in Stock Output

*OW1108103595 Beijing XINHUA in English
0932 GMT 11 Aug 95*

[FBIS Transcribed Text] Beijing, August 11 (XINHUA) — Data from the State Statistics Bureau show that China's animal husbandry production has kept its rapid growth rate during the first half of the year, with the amount of primary livestock products increasing.

According to statistics, the number of live pigs slaughtered is up to 217 million, up 14.5 percent from the same period of last year, while the number of live pigs in stock have also increased by 70 percent to 418 million.

Livestock production in each of four primary categories of pork, beef, mutton, and poultry is maintaining a reasonable proportion.

Total production rose by 18 percent, 22.26 million tons more than the same period last year. Pork production accounted for 74 percent of the total, two percent down from 1994, beef accounted for 7.1 percent, mutton, 3.1 percent, and poultry meat, 15.8 percent.

Inner Mongolia Forms Breeding Service

*OW1408092895 Beijing XINHUA in English
0739 GMT 14 Aug 95*

[FBIS Transcribed Text] Hohhot, August 14 (XINHUA) — The Inner Mongolia Autonomous Region, one of China's major pastoral areas, has set up a social service for livestock breeding.

The northern Chinese region raises more than 50 million head of livestock, and has 85 county-level stations to improve domestic animal strains, 22 breeding centers, and five artificial insemination stations, as well as 1,140 township-run service centers.

More than 3,600 professional workers and many farmer technicians play an active role in the region's 1.18 million-square-kilometer area.

A local official says that the region has approved 22 new domestic animal breeds, and the improved animals strains account for 57.75 percent of the region's total.

According to statistics, the region's improved animal strains produce direct economic results totalling one and a half billion yuan annually.

Sino-Japanese Aquatic Project Term 'Success'

*OW1408092495 Beijing XINHUA in English
0748 GMT 14 Aug 95*

[FBIS Transcribed Text] Fuzhou, August 14 (XINHUA) — An aquatic breeding project jointly run by

Zhangzhou city in east China's Fujian province and a Japanese fishery financial group has proved to be a success.

Up to the end of July this year, the project had incubated and bred a total of 5.88 million yellowtail and grouper fries.

The Dongshanwan Aquatic Breeding Center is the third aquatic project of its kind financed by the Japanese Overseas Fishery Financial Group.

The Japanese side has supplied the project with a free economic aid of 350 million yen.

Zhangzhou city has specially built facilities for the project, covering an area of 260,000 sq m. In the center, there are four water towers and three large fish breeding and cultivation pools.

It is expected that the project will produce 3.5 million fries of various types this year.

***Problems in Grain-Producing Provinces Noted**

*95CE0539A Beijing LIAOWANG [OUTLOOK]
in Chinese 12 Jun 95 No 24, pp 7-9*

[Article by Correspondents Wang Jinghe (3769 2529 0735) and Liu Jian (0491 0256): "Facing the Area in Which Interests Clash."]

[FBIS Translated Text] Recently, two correspondents traveled to two grain-importing provinces, Guangdong and Zhejiang; to a province that has achieved balance in its supply and demand for grain, Jiangsu; and to three grain-exporting provinces, Jilin, Hunan, and Henan. They interviewed many experts, scholars, and grass-roots level cadres and members of the public. All generally share a common point of view: International "granaries" cannot be relied upon to solve China's grain problem. Self-sufficiency must be the main course of action, but conflicts of interest over the grain issue remain the biggest factor limiting development of grain production. Conflicts of interest between grain producing areas and marketing areas, and between the national interest and local interests cause difficulties for grain production.

The peasants are asking: Provincial governors are responsible for the "grain bag," and mayors are responsible for "market baskets. Who is responsible for our "purses?"

The main factor determining the fattening of peasant "purses" is the price of grain. The second is the price of means of production; and the third is the industrial structure. With the institution of the "rice bag" provincial governor responsibility system, very close

attention is being given to production and procurement, but the problems affecting peasants' purses cannot be solved readily.

Hunan officials forecast that the rise in prices of the means of production alone during 1995 will mean that peasants throughout the province will have to pay an additional 1.5 billion yuan. The 1994 procurement price for early paddy was 44 yuan per dan, and the production cost was 41 yuan. The peasants could make 3 yuan per dan. In 1995, the procurement price has not changed, but the production cost has risen to 51.80 yuan. Now, every time the peasants sell a dan of grain, they lose 7.80 yuan. The main source of Hunan peasant income, other than grain, is hogs; but hogs are also a losing proposition today. Many people worry: With such a large decrease in income, where can we turn to make it up? Who can be held responsible for this? Yet another problem is that Hunan province has a 3.31 billion kilogram fixed grain procurement quota. The difference between the fixed procurement price and the market price today is 0.06 yuan per kilogram. This difference alone costs the peasants in the province 2 billion yuan in earnings. The peasants in some surrounding provinces receive subsidies, but Hunan does not have the money for subsidies because of its fiscal difficulties. In 1994, the subsidy was only 0.04 yuan per kilogram. Administrative means had to be used to make the peasants turn over their grain. Many cadres worry that grain procurement difficulties will be even greater in 1995.

In better economically developed Jiangsu province, despite a rise in the paddy subsidy from 0.42 to 0.70 yuan per jin, nominally as an allowance to fight drought, the market price is still between 0.20 and 0.30 yuan more, so the peasants are also unwilling to sell their grain to the state. Jiangsu province's main grain producing county-level grain producer, Xinghua City, produced approximately 1 billion kilograms of grain, but its fixed procurement quota was 245 million kilograms. This amounted to turning over all the city's grain to the state after deducting grain rations for the city's 13.56 million rural population. Xinghua is crisscrossed by waterways. Small peasant boats alone can haul 2.5 billion kilograms. Without control, all of the grain in the city could be moved out overnight. In order to prevent an outflow of grain, the city has set up checkpoints everywhere to intercept shipments. Village cadres go from door to door urging peasants to sell their grain; grain agency personnel go from door to door making purchases; and those who do not turn over their grain have their cultivated land taken away. Li Boyin [2621 0130 5593], municipal CPC Committee deputy secretary, told the correspondents:

"The difference between the procurement price and the market price is close to 400 million yuan for the city's fixed grain and cotton procurement. We made a big effort and made a big contribution, yet we did not make the honor roll; we did not get an award. Xinghua is the hometown of Gu Banqiao, so we can only use Zheng Banqiao's phrase, to lose is to be blessed', to comfort ourselves.

Reportedly the peasants in economically well-developed coastal areas do not want to grow grain, both because returns are comparatively poor, and because costs are high. In the Zhu Jiang delta of Guangdong, net income from farming one mu of paddy is no more than several hundred yuan while net income from raising one mu of eels is at least 10,000 yuan. In Jilin province, labor costs no more than 10 yuan per person, but in Zhejiang during the busy season in farming, you cannot hire anyone for 50 yuan, and no one is willing to work for even 100 yuan. In 1992, the early paddy farming area of Jiaxing prefecture covered 1.6 million mu; but each year since, it has decreased by about 300,000 mu per year. A survey of local peasant intentions conducted early this year showed a paddy farming area of only 800,000 mu. Putting the rice bag provincial governor responsibility into effect under these circumstances means that many jurisdictions have to employ forceful administrative means. However, depending on administrative measures alone will not work. We have previously had much experience in this regard. Some comrades feel that unless major attention is given to increasing peasant income, reliance on administrative means alone to get peasants to grow grain may cause a temporary rise in output, but will ultimately produce a decline.

Production areas are asking: We have made a tremendous contribution to the country in producing grain, but we have paid a heavy price for this in the form of sluggish economic development. How ought this be compensated?

Major grain growing provinces such as Henan, Hunan, and Jilin report that local economic development suffers greatly from grain production. Maintaining a fixed grain farming area is bound to adversely affect expansion of the cash crop growing area. Also, agricultural production requires high investment for low returns. The authorities concerned in Henan Province report that 20 billion yuan has been needed for the procurement of agricultural and sideline products each year for the past several years. Now, when the scale of credit is limited, opportunities for the development of industrial sideline industries suffer correspondingly.

As national commodity grain bases, large grain growing provinces are not only under great pressure to produce

grain, but readjustment of their industrial structure is slow. In addition, they have to suffer in silence during the grain shipping process. In 1995, Jilin Province received orders to ship 1.5 million tons of reserve grain south, suffering a more than 300 million yuan loss as a result.

In response to the correspondent's interviews in Henan, Hunan, and northern Jiangsu grain producing areas, the authorities reported that areas to which grain is marketed frequently request shipments as they go along; they have little storage capacity of their own. For all intents and purposes, some jurisdictions have not built granaries. Consequently, all the expenses resulting from tying up money, bank interest, and storage losses are passed on to the producing areas. Henan province has 4.95 billion kilograms of wheat in storage, with storage costs between 0.10 and 0.15 yuan per kilogram. During 1994, grain units in Hunan Province's accrued interest payments of 1.2 billion yuan for grain procurement alone; and its gross income from shipping grain was only 700 million yuan. Worse yet, the areas to which grain is shipped delay payment for the grain. To this day, Hunan Province has not recovered the 15 million yuan for grain that it shipped to Hainan in 1984; and Henan Province has not received payment so far for wheat that it shipped to Hunan Province in 1994. In Hunan Province alone, marketing areas owe producing areas 1.8 billion yuan for grain. Xinghua City in Jiangsu Province is one of the country's ten largest grain producing county-level areas. It has not recovered the 3.659 million yuan for grain shipped to Inner Mongolia and Heilongjiang Province before 1990. It has spent hundreds of thousands of yuan on dunning them for payment alone; and its cumulative interests charges total more than 2.5 million yuan.

Yangzhou City in Jiangsu Province reports that formerly when market areas received shipments from producing areas, the central government paid a subsidy to the shipper based on the procurement price of the amount shipped. In 1994, the province ruled that an additional 0.18 yuan per jin would be added to the procurement price of grain shipped elsewhere, with the cost to be borne by the area to which the grain is shipped. The market areas felt that this didn't pay, so they transferred their grain buying to Anhui and Jiangxi Provinces. They did not tell Yangzhou that they did not want its grain, but they did not have any shipped either. The longer the time dragged on, the heavier the interest burden of the shippers for grain procurement. The shippers could do nothing if the other party did not want the grain; but if it wanted it, the shipper would have to provide it. This put the shipper in the position of not daring to touch

grain on hand, which amounted to the shippers storing the grain for a possible buyer.

By contrast are the complaints from marketing areas about production area embargoes. For example, comrades in the Guangdong Provincial Grain Bureau told the correspondents that as the largest buyer at the National Grain and Edible Oils Producing, Marketing and Ordering Meeting in Beijing in 1993, Guangdong Province signed contracts with Hubei, Hunan, Jiangxi, and Anhui Provinces for their shipment to Guangdong of more than 1 billion kilograms of grain. Central government leaders were present at the time, a deputy prime minister supervised, the provincial governors of all provinces certified, the director of the grain department in each province singed the agreement, and judicial authorities notarized it. Nevertheless, in the end, these grain shipping contracts were not honored; they became a mere scrap of paper. Grain importing provinces such as Zhejiang also report that because of price changes, few of the contracts for grain and edible oil signed at national meetings in Nanjing and Beijing were honored. Some experts point out that such embargoes are really a form of self-protection of the interests of producing areas.

Some comrades predict that with the inauguration of the "rice bag" provincial governor responsibility system, every province will take its local interests more into account to preserve tranquility. In periods of grain shortage, producing areas will withhold grain from the market to await a price rise before selling. During bumper harvests, sales areas will hold producing areas in bond, either ordering only as they consume or paying only after they have consumed. During their visit to Jiangsu, the correspondents saw an interesting phenomenon. The grain agencies in this province have made a major effort since the second half of the previous year to buy grain inside or outside the province in order to put more than 4 billion kilograms in storage. Consequently, rice costs only about 2.80 yuan per kilogram here while it costs between 3.60 and 4.00 yuan in north China. Some customers in the north have several times sought to buy Jiangsu rice, but the province's attitude is "only shipments in, no shipments out." It has also embargoed sales, and customers in the north can do nothing about it.

The market embargoes among producing areas stem from self-interest, but they send false signals about supply and demand to the embargoed markets, thereby creating another problem in stabilizing the country's grain production.

Consumers have a third question: If no one will grow grain out of self-interest, who will ensure the supply of grain to the consuming public?

Some people in areas to which grain is sold are worried that the central government's decision to institute a provincial governor responsibility system will require each province to seek its own balance between supply and demand. For grain-deficit areas, this is a stimulus; for grain producing areas, it may be removal from bondage. With a balance between supply and demand, producing areas will produce more when the price is right. When the price is not right, they will produce less. The farming pattern will change. When areas suffer from growing grain, they will grow less grain. However, the increased output of consuming areas will not offset the drop in output of producing areas. This will make more difficult of reaching the goal of increasing the country's output by 50 billion kilograms by 2000.

These worries are not without foundation. In Jiaxing prefecture in Zhejiang province, some grain growing counties and cities that wanted to achieve balance between supply and demand tried to reduce their grain growing area and increase their cash crop growing area. Higher level intervention thwarted their plans. In some grain producing provinces, the grain growing area has declined in order to expand the cash crop growing area. In Henan Province, the cultivated land area was 620,400 mu less at the end of the 1994 than at the beginning of the year, making 1994 the year of greatest decrease in recent years. Extrapolation of a provincial agricultural survey team's survey of 3,000 peasant households shows a 1.18 million mu reduction over 1994 in the province's 1995 grain crop growing area.

In the course of their interviews, the correspondents found that institution of the "rice bag" provincial governor responsibility system has stimulated production in grain-deficit provinces, but this should not be overestimated. During the past decade, China's grain growing area has decreased 60 million mu, mostly along the southeast coast. Decrease in cultivated land in Jiangsu, Zhejiang, and Guangdong Provinces is attributable to two main reasons. One is the use of land for construction and development which accounts for about 30 percent of the decline. This reduction is rigid; the land cannot easily be returned to cultivation. About 70 percent of the decline is attributable to the internal restructuring of agriculture. A substantial amount of this loss, such as the change to fish ponds and orchards is also rigid; the land can be restored to cultivation only with difficulty. Any upturn of the grain growing area in these areas is not realistic. In the Zhu Jiang delta, continuous grain field tracts are a great rarity along railroads

and highways. Factories, fish ponds, economic forests, flower gardens, and nurseries stretch as far as the eye can see. In one town under jurisdiction of Shunde City, local cadres told the correspondents that even though higher authority had set a firm grain field growing area for the town, the peasants are unwilling to grow grain, and the town finds it difficult to make them. Only half the cultivated area was sown in 1995. In Guangdong Province, an upturn in the grain growing area occurred only in economically depressed areas of northern and western Guangdong.

In the course of the survey, the correspondents found that the conflicts of interest that have appeared in grain production are not something new. It is just that they are manifested more clearly under the market economy. Some comrades believe that solution to the country's grain problems requires strong administrative measures, but that effective economic means must be found to deal with glaring economic inequities.

First is the building of a benign mechanism in the production realm to encourage grain production.

Increase investment in agriculture. No more shouting empty slogans. Many comrades reported that in recent years, every level has constantly called for increased investment in agriculture. This year the call is louder, but the investment is never fully made. Funds for the support of key commodity grain counties have yet to be received. The responsibility that leaders will bear for failure to invest in agriculture in the future must be clarified, and there can be no harshness toward the peasants on the one hand and softness about investment on the other. Another matter is the distribution of money, with no one getting a portion large enough to do anything with. Comrades in Hunan reported that the province gets a substantial amount of money through various channels and from the central government each year, but it is scattered among individual agencies, much of its force lost. They ask whether it might be possible in the future for the central government to control funds for investment in agriculture, with each province handling them for concentrated use on several major matters each year. Promotion of farming on a proper scale must be accelerated in developed coastal areas. One comrade in Zhejiang province said that agriculture is the sticking point in developing the economy, and the sticking point in agriculture is grain. The sticking point in grain is the developed coastal areas. Cultivated land is scarce in these areas, farming is on a small scale, costs are high, and returns are low. The peasants feel it is not profitable to grow grain. They do not want to farm intensively. Farming on a proper scale can effectively increase the soil's yield, thereby increasing the grain supply substantially. Zhejiang Province has de-

cided to move ahead gradually with farming on a proper scale throughout the province, placing emphasis on the "twin field system." Responsibility fields and grain ration fields will be kept separate, scattered plots being used for grain ration fields, and responsibility fields concentrated in continuous tracts. In 1994, the province had 70,000 grain farming households contracting 1.6 million mu of cultivated land. Preparations are underway to increase the area to 2 million mu in 1995. By the end of the present century, two thirds of the province's fixed procurement quotas will be the responsibility of large specialized households. Maintaining the interest of the peasants in farming grain is also necessary. The price problem underlies the interest problem. The main problem today is the gap between the fixed procurement price and the market price of grain. A second one is the skyrocketing of means of production prices. Unless these two problems are solved, it will be very difficult to maintain peasant interest in growing grain for long, and the provincial governor responsibility system will become a dead letter.

Second is establishment in the allocation and marketing realm of a new grain distribution system that integrates the interests of producing and consuming areas.

The main purpose in proposing the "rice bag" provincial governor responsibility system, with each province being responsible for the balance between supply and demand for grain, is to make exporting provinces raise their grain commodity rate, and to make importing provinces raise their self-sufficiency rate, using markets to even out surpluses and shortages to keep both markets and society stable. Many experts have pointed out that realization of this goal requires establishment of a nationwide, unified large grain market that is in keeping with the country's present circumstances to have a fairly complete grain circulation system. Everyone feels there are two possible approaches to the new grain circulation system as follows:

One approach is for the central government to maintain an exchange in which the total amount is dovetailed. If, for example, Zhejiang Province is short 1.5 billion kilograms of corn, the central government might let Jilin Province be responsible for supplying 500 million kilograms at whatever the market price might be at the time. This method has two advantages: Without major readjustments of the agricultural structure of producing areas, no decline in grain output occurs. The second is that pressures on producing areas are eased when they know where they stand. The methods used in Jiangsu for shipping grain among counties and cities within the province are: 1) an allocation price, early decision about methods, and providing lower levels a framework;

2) planning the time of allocation, with everyone being allocated something instead of concentrating on a single area; 3) providing subsidies to producing areas; providing a 0.03 yuan subsidy for each jin shipped; townships industries helping agriculture; and agriculture and industry bound together for accounting purposes. In general, allocation proceeds smoothly, with approximately 70 percent of allocation quotas being fulfilled at present.

The second approach is to institute the grain import-export trading methods in general use internationally once tri-level wholesale markets have been founded. This means that buyers and sellers sign contracts, decide the buying and selling price, the times of delivery, and delivery methods on the basis of the futures market, with the buyers paying a 10 percent down payment in advance. The government must promulgate special laws to give the contracts legal validity. Buyers may not call for grain any time they want it, nor refuse to accept it when they do not want to accept it. Nor may sellers sell or not sell as they please. Should either party violate the agreement, it will have to bear economic and legal sanctions.

To safeguard the interests of major grain growing areas, the central government must adopt policies to protect main grain varieties. A possible protection method is to collect a grain consumption tax. Some people also recommend levying a high consumption grain surcharge, using the money obtained by either method to help producing areas improve agricultural production conditions, to build grain production bases, and to help producing areas develop their economy.

Third, the central government must improve macroeconomic regulation and control if it is to stabilize the country's grain production and ensure effective supply to society. The country will have to pay a price to improve macroeconomic regulation and control.

First the central government must control sufficient grain for use in regulating and controlling markets. Currently, the reserve grain of many places is secretly allocated or diverted, so the amount of grain in national grain reserves is insufficient. This is a dangerous situation that should be given serious attention.

Second, if the fixed procurement price of grain is set lower than the market price, the state must give producing area peasants a required subsidy to ensure government control over sufficient sources of supply of grain.

Next is better control over where grain flows in grain growing areas. When the correspondents visited

Xinghua City, Zong Changyin, the director of the grain bureau told them: "Go to the railroad station and take a look around. You'll see grain from the south being shipped north, and grain from the north being shipped south, back and forth. This causes a shortage of freight cars and the railroad earns money. Movement is disorderly. It makes people laugh." He said that the government should make regulations setting up special agencies responsible for grain shipments. Every jurisdiction would draw up plans based on population, demand, and grain varieties, which they would report to the central government. After balancing needs, the special agencies would carry out the plans strictly (including the railroads and ports).

Finally, integration of production, procurement, allocation, and marketing might be studied. Currently, the in-

dividual grain production, procurement, allocation, and marketing sectors do not constitute a community of interests. Each goes its own way. Those concerned with production have nothing to do with markets, and those concerned with procurement care nothing about the peasants' income. When grain units make money, they may build tall buildings, but when they lose, they turn to the government for help. Reportedly, Canada has a wheat board, and Japan has an agricultural association. Some countries have agriculture and food departments. These departments are responsible for grain production, procurement, allocation, and sales. They are non-profit organizations that emphasize support for production and the movement of grain. These methods are worth borrowing.

Central-South Region**Guangdong Official on Guangzhou Subway Progress**

*OW1308095495 Beijing XINHUA in English
0922 GMT 13 Aug 95*

[FBIS Transcribed Text] Beijing, August 13 (XINHUA) — Construction of the subway in Guangzhou, the capital city of south China's Guangdong Province, will not stop for a single day "unless wars or major natural catastrophe beyond control occur," Guangzhou Mayor Li Ziliu was quoted by today's "WORKER'S DAILY" as saying.

Li's remarks were directed at rumors that the construction of the subway would go abortive.

"The construction will not pause for a single day and the Line One of the subway will open to traffic in 1998 as scheduled," he said.

During the recent period, the construction has met funding problems. The local authorities planned to bring in 1.1 billion yuan this year from selling land, but have so far collected no more than 800 million yuan owing to a sluggish real estate market.

Bonds will be issued to raise funds for the subway, Mayor Li revealed.

The subway, which is estimated to cost 12 billion yuan, will greatly alleviate the traffic pressure on Guangzhou.

The construction will go on, Li said. He listed three reasons:

- The more than 500 million US dollars worth of foreign loans are mainly in the form of equipment from Germany. The equipment will be delivered in time.

- The investment is too huge and must be completed in time to produce economic gains.

- The subway is a focus of both local residents and international communities, and therefore it must be completed as scheduled.

The principal and interest of the bonds will be mainly paid by the government.

Guangdong Province Changes 'Product Mix'

*OW1408093295 Beijing XINHUA in English
0854 GMT 14 Aug 95*

[FBIS Transcribed Text] Guangzhou, August 14 (XINHUA) — The Pearl River Delta area in south China's Guangdong province is making drastic changes in its product mix, in a bid to catch up with the world's advanced level in economic development by the year 2010.

The delta, including Guangzhou, Shenzhen, Zhuhai and other four other economically fast-growing cities, is one of the most developed areas in the country, which covers an area of 40,000 sq km and has a population of over 20 million.

According to Zhu Senlin, governor of Guangdong Province, priority will be given to developing such pillar industries in the area as petrochemicals, automobiles, electronic telecommunications equipment, biological businesses and services in the years to come.

The delta area is to be built into a new and hi-tech industrial zone producing medicines, building materials, medical equipments, optical instruments and electronic and machinery products.

The governor said that the proportion of the service industry in the GNP of the area will be further enhanced to 40 percent by the turn of the century, and to 60 percent by the year 2010.

Further progress should be made in such industries as tourism, finance, insurance, information and foreign trade, according to the governor.

In addition, the province will pay close attention to developing farm products in the area.

The governor stressed that the delta area is expected to act as the dragonhead in promoting economic prosperity of the whole province.

Passengers at Guangdong Airport Top 1 Million

*OW1308125195 Beijing XINHUA in English
1235 GMT 13 Aug 95*

[FBIS Transcribed Text] Guangzhou, August 13 (XINHUA) — Passenger transportation at Baiyun Airport in the capital of south China's Guangdong Province hit a new record in July this year, reaching 1.115 million in number.

The figure rose from a former record of 1.08 million in May this year, local aviation officials said.

According to the officials, 8,752 more flights, roughly equalling the airport's one-month average, were made in the first seven months of this year, compared with the same 1994 period.

The sharp rise in the airport's passenger handling capacity was a result of an increasing number of tourists after the country implemented a five-day workweek as of May 1 this year, and large number of students seeking tours during summer vacation.

Tourists made up more than one third of the passengers at the airport. Hotlines included traditional tourist routes

to the cities of Guilin, Xiamen, Xian, Harbin and Beijing, and newly-opened ones to the Three Gorges area.

Twenty-one out of the total 69 air routes linking Guangzhou and other domestic cities scored an occupancy rate topping 90 percent, officials said.

And the 13 international routes also witnessed busy operation in July, with three registering an occupancy rate of more than 68 percent each. Some 18,200 people flew to Hong Kong in July, an 8.84 percent rise over the previous month, they said.

Guangdong's Guangzhou City Group Meets 4 Aug

OW1308094795 *Guangzhou Guangdong People's Radio Network in Mandarin* 0400 GMT 5 Aug 95

[From the "New Special at Noon" program]

[FBIS Translated Text] The Guangzhou City Leading Group for Eliminating Seven Vices held an enlarged meeting at the city party committee yesterday afternoon. The meeting summed up work in the previous months and made arrangements for work on combating drugs, pornography, and gambling in the months to come.

According to statistics, as of the end of July, 451 underground drug dens were raided, 140 drug-trafficking gangs with 560 members were cracked, (?1,112) drug traffickers and (?7,362) drug abusers were arrested, more than 224,000 grams [g] of heroin and 17,000 g of other narcotics were seized, and more than 2.65 million yuan in drug money was impounded in Guangzhou City. Fifteen new compulsory drug rehabilitation centers were built in the city, and efforts to compel drug abusers to kick their habit were intensified. Moreover, public security organs at all levels in Guangzhou City intensified their efforts to crack down on prostitution, gambling, and other illicit criminal activities.

Speaking at the meeting, city leaders said: The situation with respect to drug control remains grim. The provincial and city authorities have decided to extend the period of unified drug-control efforts until September. To this end, party and government organs at all levels should exercise objective-based management at their respective levels and ensure that the three-guarantee measures will be implemented. They should by no means let pornography, drugs, gambling, and other social ills gain ground again.

Hubei Secretary Views 1995 Development Ideas

SK1408031895 *Wuhan Hubei People's Radio Network in Mandarin* 1000 GMT 12 Aug 95

[FBIS Translated Text] From 4 to 11 August, leaders of the provincial party committee and government,

including Jia Zhijie, Li Daqiang, and Deng Guozheng, successively went to Shiyan, Xiangfan, Suizhou, and Xiaogan cities to conduct investigation and study; to hear the reports on the 1995 development ideas made by the responsible persons of (Jinsha) city as well as the cities and counties that they went; and to discuss with the party and government leaders of these localities the matters of vital importance to rejuvenation and development in 1995.

Jia Zhijie, secretary of the provincial party committee, repeatedly stressed throughout the journey: The Ninth Five-Year Plan period marks a period deciding the future of Hubei. We should seek unity of thinking, emancipate the mind, rush to grasp favorable opportunities, do solid work, win the decisive battle in 1995, realize Hebei's goal of rejuvenation and rising abruptly, and stride into the 21st century with a brand-new look.

Jia Zhijie especially stressed: The major grain production areas across the country were hit by the serious disasters this year. We must not be optimistic about the grain and cotton production situation. Hubei is a major grain and cotton production area and also a large province in sales of rice. The question of whether or not Hubei's agriculture can [words indistinct] affects not only the (?development) of all professions and trades in Hubei but also [words indistinct] and the stability of society. We should [words indistinct] to ensure a bumper agricultural harvest and [words indistinct].

After actively hearing the reports on the 1995 development ideas made by the party and government leaders of Shiyan, Xiangfan, (Jinsha), Suizhou, and Xiaogan, Jia Zhijie maintained: The guiding ideologies for these localities' 1995 development ideas are accurate, and the people are inspired by the goals. [sentence indistinct]

He urged: All localities should base themselves on this to extensively solicit opinions from all fronts; pool the wisdom of the masses, scientifically make policy decisions, conduct propaganda, and mobilize the enthusiasm of the people in the course of making the 1995 plans; make the plans become the local programs of action; and mobilize the broad masses of the people to actively implement the plans.

Jia Zhijie urged that all localities should further emancipate the mind, widen their ideas, rush to grasp favorable opportunities, and try every possible means to make development. Development is an essential criterion. The prerequisite for development is emancipating the mind. Hubei's great economic development in the past few years resulted from its achievements in emancipating the mind. However, we still lag behind the coastal developed areas in the aspects of development and emancipating the mind. We should not only

grasp but also seize the favorable opportunities for development. That is, we should ceaselessly enhance the awareness of rushing to grasp favorable opportunities. We must not shake the awareness under a lax macroeconomic environment. When the macroeconomic environment is excessively tight, we should not shake the awareness, too. We will often find it difficult to grasp favorable opportunities when facing difficulties. So long as we emancipate the mind, grasp favorable opportunities, try every possible means to make development, take the five years of the Ninth Five-Year Plan period as a period for the (?cities' rejuvenation), struggle, and economic takeoff will we certainly be able to realize the goal of rejuvenation and rising abruptly and to hand in a good examination paper to the people of Hubei.

In regard to the specific measures for the 1995 development, Jia Zhijie said: First, we should persistently not shake agriculture's role as the foundation of the national economy. We should be determined to strengthen agriculture's foundation role and approach from the high plane of the overall economic development, the nation's safety, and [word indistinct] to grasp agriculture. We should continue to persistently mobilize the whole party and the people to develop agriculture on a large scale and to change Hubei into an agriculturally large province into an agriculturally powerful province. Second, we should persistently not shake the strategy of rejuvenating Hubei with science and education and take the path of great development and progress. We should rely on science and technology to promote technological progress and the improvement of laborers' quality and to upgrade the standing, scale, and quality so as to be in an invincible position amid the tense market competition. Third, [words indistinct]. All localities should persistently proceed from their actual conditions, bring their own advantages into play, and individually take their own competitive path. Fourth, we should tide over difficulties and strengthen measures to solve the key problems due to the narrow channels for capital supply, less methods for investment, and great contradictions between supply and demand in an effort to make the 1995 planned goals more reliable and realistic. Fifth, we should persistently attend to both material and spiritual civilizations. We must not ignore the construction of the spiritual civilization at the time of grasping the economic work. The better the economy is developed, the more we should not shake the policy of taking a two-hand approach.

Jia Zhijie stressed: In the new situation, we should pay special attention to improving and strengthening the party's leadership over the economic work. The party committees should be good at mobilizing all positive factors and uniting with all the forces that can be united;

pay attention to improving the leadership; ceaselessly improve the art and level of the party's leadership; create a united, harmonious, and lax environment in which we can keep forging ahead and do solid work; and promote the development of all undertakings. This is an organizational guarantee for smoothly realizing the 1995 targets.

The responsible persons of the offices under the provincial party committee and government and of the provincial-level departments joined the investigation and study activity.

Hubei's Yang Yongliang Gives Speech at Forum

SK1208034895 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 10 Aug 95

[FBIS Translated Text] Yang Yongliang, deputy secretary of the provincial party committee, presented a written speech to the provincial forum on the work of conducting party building among state-owned enterprises across the province, which concluded on 9 August. He urged party committees at all levels and the party organizations of enterprises to actively work out the new road of conducting party building among state-owned enterprises under the conditions of reform, opening up, and of developing the socialist market economy; and to promote the improvement and development of enterprises by enhancing and improving the work to conduct the party building of enterprises.

The three-day forum was held at the Jianghan Petroleum Administration Bureau and was jointly sponsored by the organizational department under the provincial party committee, the political research office under the provincial party committee, and the provincial economic and trade commission. Attending the forum were secretaries from the party committees of enterprises affiliated with the central authorities; some plant directors and managers; and responsible persons from the organizational departments, the political research offices, and the economic commissions of various prefectures, cities, autonomous prefectures, and from the provincial level departments concerned.

Among those invited to the forum were responsible comrades from the organizational department under the CPC Central Committee and relevant responsible comrades from enterprises. Huang Yuanzhi, member of the provincial party standing committee and director of the organizational department under the provincial party committee, presided over the forum and delivered a summary speech. During the forum, 25 units delivered reports to exchange their experience.

In his written speech, Yang Yongliang first stressed the importance of successfully grasping the work of party

building among state-owned enterprise. He stated: The state-owned enterprises are places most concentrated with the working class, are backbone and pillar sectors in the national economy, and are the major resources of the state financial revenues. Enhancing and improving the work to conduct party building among state-owned enterprises represents the need for building up the party organizations of state-owned enterprises into strong political cores, the need for deepening the enterprise reform to promote enterprise development, the need for establishing modern enterprise systems, the need for consolidating the position of the party in power, and the need for realizing protracted order and peace in the country. Upholding the party's leadership and enhancing or improving the work to conduct party building among state-owned enterprises represent not only the important content of establishing modern enterprise systems but also an organizational guarantee for establishing such systems. The 14th CPC Congress put forward that the fourth plenary session had reaffirmed that state-owned enterprises should bring into full play the political core role of their party organizations, uphold and improve the plant director and manager responsibility systems, and should rely on the working class wholeheartedly. Hereby, we would like to offer another point for implementing in an overall way the three guiding principles, which is to perfect the internal systems of enterprises and to enhance or improve the party building of enterprises. The party and administrative leading cadres of enterprises should take the lead in studying Deng Xiaoping's theory of building socialism with Chinese characteristics; in studying the knowledge of the market economy, enterprise management, and of modern science and technology; in enhancing the ideal and belief in Communism; in firmly remembering the purpose of serving the people wholeheartedly; in resisting the corrosive influence of money worship, pleasure-seeking, and out-and-out egoism; in upholding the guiding ideology of party building work, in which efforts should be made to grasp the party spirit in line with the economic work and to successfully conduct party building to promote the economy; in regarding the success in the reform, production, and management of enterprises as a basic starting point and foothold for enterprises to improve their work; and in realistically improving the working methods and activities' style of party organizations.

Yang Yongliang stated: Having played a political core role by the party organizations of state-owned enterprises represents the embodiment of the position of party in power and of the party's leading role in enterprises. Efforts should be made to establish or improve the necessary systems to secure the party organizations of enterprises to join according to the law in making policy

decisions on important and great issues, to uphold the principle of having the party control cadres, and to join according to the law in the management of personnel affairs among enterprises. In line with the principle of outstanding, high efficiency, and coordination, we should set up working organs for the party organizations of enterprises and assign cadres in charge of party affairs. We should also establish the system of exchanging opinions between party affairs personnel and the administrative personnel of enterprises and should make efforts to train personnel suitable to the current work in this regard and to build up the contingent of party members with strong fighting strength and of staff members and workers conforming with the four requirements.

In his summary speech, Huang Yuanzhi voiced his opinions on further doing a good job in conducting party building among state-owned enterprises and on the reform and development of scientific and technological enterprises.

Hunan Eases Drought With 'Artificial Rain'

*OW1408092795 Beijing XINHUA in English
0829 GMT 14 Aug 95*

[FBIS Transcribed Text] Changsha, August 14 (XINHUA) — Central China's Hunan Province has succeeded in easing its long spell of drought with the help of artificial rain.

Periods of drought caused fields to crack and crops to wither in 14 prefectures and cities in the western, southern, and central parts of the province, according to an official with the Hunan Provincial Meteorological Bureau.

The bureau has carried out artificial rain program 170 times with an effectiveness rate reaching 100 percent, and giving help to 104,670 hectares of withered crops.

Located on the southern bank of the Chang Jiang River, the province generally enjoys abundant rainfall, but when summer is changing into autumn, it often suffers from drought.

Southwest Region

Guizhou's Congress Committee Meeting Ends 1 Aug

OW1208114895 Guiyang Guizhou Television Network in Mandarin 1135 GMT 1 Aug 95

[Announcer-read report over video; from "Guizhou News" program]

[FBIS Translated Text] After successfully completing all items on its agenda, the eight-day, 16th meeting of

the Eighth Guizhou Provincial People's Congress Standing Committee concluded in Guiyang this afternoon [1 August].

Liu Yulin, vice chairman of the provincial people's congress standing committee, presided over the meeting. Attending the meeting were Wang Chaowen, chairman of the provincial people's congress standing committee, and Vice Chairpersons Liang Mingde, Liang Wanggui, Wang Yaolun, Chen Yuanwu, Lu Wenbin, Li Renshan, and Li Ling. Vice Governor Hu Xiansheng; Xie Jinhan, president of the provincial higher people's court; and Hu Kehui, chief procurator of the provincial people's procuratorate, attended the meeting as observers.

The meeting adopted the draft Regulations of Guizhou Province on Construction Market Management; the draft Regulations of Guizhou Province on People-Run Science and Technology Enterprises; the draft Procedures of Guizhou Province on the Elections of Villagers' Committees; a decision to amend the Detailed Rules and Regulations of Guizhou Province Regarding People's Congress Elections at the County and Township Levels; and a resolution regarding Procedures for the Management of Livestock and Poultry Epidemic Prevention and Quarantine in Guiyang City. The meeting also adopted the Procedures for the Management of the Migrant Population in Guiyang City, and a report on the results of deliberation by the provincial people's congress financial and economic committee of Motion No. 23 submitted for deliberation by the Presidium of the Third Session of the Eighth Guizhou Provincial People's Congress. Attendees at the meeting also voted on personnel matters.

Sichuan To Launch 'Unified' Narcotics Drive

OW1308143795 Chengdu Sichaun Television Network in Mandarin 1130 GMT 5 Aug 95

[Announcer-read report over video; from the "Sichuan News Hookup" program]

[FBIS Translated Text] Sichuan will launch a unified, province-wide drive against narcotics. For this purpose, the provincial CPC Committee and government convened a telephone conference to make arrangements for the first campaign against drugs to be launched province-wide.

Due to the increasing flow of narcotics from abroad, Sichuan now faces a grim situation in terms of crimes involving narcotics. The main manifestations of this are: First, a sharp rise of narcotics related crimes in Sichuan over the years; second, an increasing number of drug addicts and a narcotics market of some size that is emerging; and third, the smuggling and illegal manufacture of chemicals remains a prominent problem.

The rampant spread of narcotics has done great harm to social stability, economic development, the people's health in Sichuan. For this reason, the provincial CPC Committee and government have decided to mobilize all sectors of society to launch an inaugural, province-wide people's campaign against narcotics. We will, in the course of the campaign, dig out and dispose of a large quantity of narcotics, destroy narcotics dens and the underground sales network, put narcotics-related offenders behind bars, and compel those drug addicts revealed to kick their drug habit. We should conduct a province-wide publicity campaign on the harm of the drug habit, implement a variety of measures to crack down on drug abuse, and mobilize all society in fighting narcotics.

(Li Shuchun), director of the provincial Anti-Narcotics Office and deputy director of the provincial Public Security Department, outlined arrangements for implementing the drive.

Deputy Secretary and Vice Governor Pu Haiqing emphasized in his speech that government at all levels must make the drive a top priority. Leadership should take it seriously and exercise painstaking leadership over its execution. Relevant departments should cooperate closely with one another to make the drive an all-round success. We should demonstrate great determination and employ a variety of measures in implementing the crackdown.

In his speech, Deputy Secretary Song Baorui urges party committees and governments at all levels to make the first province-wide campaign against narcotics a success in the light of conditions in their respective localities. He urged party committees and government at all levels to have a thorough understanding of the seriousness of the drug abuse situation and to implement the anti-narcotics drive with great determination. We must thoroughly destroy the narcotics sales network and underground drug dens. We must implement effective measures to help drug addicts kick their habit and firmly put a stop to the spread of narcotics. We must intensify publicity and build up a social momentum for the anti-narcotics campaign.

Song Baorui stressed: We must make every member of society, every family, school, government institution, business, and grassroots organization understand the importance and urgency of the crackdown on narcotics so that they will actively participate and support the first province-wide campaign against narcotics and make it a complete success.

Also attending the conference were officials of the Commission on Politics and Law under the provincial CPC Committee, the provincial Military District, provincial

court, and other relevant departments as well as officials in charge of prefectural and city party committees and government.

Tibet's Chen Notes Issues at CPC Congress

*OW1308000795 Lhasa XIZANG RIBAO in Chinese
30 Jul 95 pp 1-2*

[**"Accelerate Development; Safeguard Stability; and Strive To Victoriously Achieve the Magnificent Goal Established at the Third Forum on Work in Tibet — Fifth Congress of Tibet Autonomous Regional CPC Committee Solemnly Opened"**]

[FBIS Translated Text] The Fifth Congress of the Tibet Autonomous Regional CPC Committee, opened solemnly in Lhasa on 29 July — becoming a milestone for sustained, rapid, and healthy economic and social development in Tibet.

Yesterday, the Tibet People's Hall was in particular grandeur under the light of the morning sun. Delegates from various localities in the region gathered in one hall to discuss matters of vital importance and their major tasks. They will lead the peoples of various nationalities in the region to further emancipate their minds, seize opportunities, quicken development, and safeguard stability. They will make great strides in achieving the magnificent goals set at the third forum on work in Tibet and race toward the glorious 21st Century.

The congress was chaired by Comrade Raidi.

The congress was opened at 0930 amid the magnificent song "The Internationale."

Chen Kuiyuan, Raidi, Gyaincain Norbu, Guo Jinlong, Basang, Danzim, Yang Chuantang, Lieque, Hu Yongzhu, Zi Cheng, Chen Hanchang, Buqiong, Lu Huimin, and Li Guangwen, executive members of the presidium, and Comrade Wang Xudong, deputy head of the CPC Central Committee Propaganda Department, who was providing guidance at the congress, were seated on the front row of the rostrum.

Pagbalha Geleg Namgyai, vice chairman of the National People's Congress; nonparty leading cadres of the regional people's congress, government, and the Chinese People's Political Consultative Conference [CPPCC]; and members of the congress presidium were seated on the rostrum. All official delegates, specially invited representatives, and observers attended the congress.

Comrade Chen Kuiyuan explained Tibet's profound changes in outlook and the healthy development of various undertakings during the past five years in the following five aspects: Tibet has used reform as a motive force to promote a sustained, rapid and healthy devel-

opment of the national economy; Tibet has developed education, sciences, and technologies in a healthy manner, and has made new achievements in building socialist spiritual civilization; Tibet has deepened the struggle against separatism, and in the main kept stability in society; Tibet has fully implemented the party's policies on united front work, nationality affairs and religious affairs, and has further strengthened the socialist legal system; and, Tibet has attached importance to strengthening party building and constantly raised the party's fighting capability.

On behalf of the Fourth Tibet Autonomous Regional Party Committee, Comrade Chen Kuiyuan expressed his noble respects and heartfelt gratitude to all comrades and friends who have made contributions to the development and progress of Tibet.

Touching on the future tasks, Comrade Chen Kuiyuan pointed out: The next five years, until the year 2000, will a crucial period for Tibet's economic and social development. General Secretary Jiang Zemin has strategically pointed out: "We must never let Tibet separate from the motherland and must never let Tibet remain in a backward status for a prolonged period. Only socialism can save and develop China, and only socialism can save and develop Tibet." This fully shows the party central committee's concern for Tibet and its determination to support Tibet's development. The regional party committee's duties and tasks are precisely to integrate the instructions of the party central committee with the actual situation in Tibet, to successfully accomplish various tasks in this period, and to lay a good foundation for development in the early period of the next century.

For this reason, he stressed that in the next five years, we must deepen reform, opening up wider to the outside world, make advances toward a socialist market economic system, speed up resource development, rationalize the structure of production, revitalize and enhance the strength of the national economy, and promote the socialist spiritual civilization to bring about the all-around progress of society.

Comrade Chen Kuiyuan stressed that we must intensify our efforts in exposing and criticizing the Dalai clique to safeguard Tibet's social tranquility. Safeguarding stability and fighting the Dalai's schemes to split the motherland and resurrect the serf system is a long-term combat task for the party and people of Tibet. Everything would be out of question without stability.

Comrade Chen Kuiyuan pointed out: We must strengthen the socialist legal system, step up party leadership over the united front, and make earnest efforts in improving work related to religions and nationalities.

Speaking of attaching greater importance to party building and strengthening and improving party leadership, Comrade Chen Kuiyuan emphasized: We must promote the building up of the party's ideology and arm the whole party with the theory of building socialism with Chinese characteristics, we must strengthen the ranks of cadres and bring up cadres who will assume leading responsibilities beyond the year 2000. We must strengthen the leading bodies at the county level with determination, uphold the party's democratic centralism, safeguard the party's unity, strengthen grass-roots party organizations, and enhance the rallying call and the party's combative power. We must improve party conduct, promote the building of clean government, and foster even closer ties between the party and the masses.

Comrade Chen Kuiyuan pointed out: Party members, leading cadres with party membership in particular, must follow the example of Comrade Kong Fansen; bear firmly in mind the party's purpose of serving the people whole-heartedly; and maintain close contact with the masses. We must be accountable to the people, promote their interests, and do our utmost in leading the masses in putting an end to backwardness and poverty.

Leading cadres of the party at all levels must have a stronger sense of commitment and responsibility. At the Third Forum on work in Tibet, a central leading comrade pointed out that the party committee and Government of the Tibet Autonomous Region must earnestly examine and answer this question: "What should Tibet do in the face of support from all over the nation?" We — the people of Tibet — must redouble our efforts and answer this question with excellent progress. This will be the best answer we can give to the Central Committee and people across the nation.

Comrade Chen Kuiyuan pointed out: The分裂ist activities of the Dalai clique are the primary cause of Tibet's instability. The Dalai has played the part of the chieftain of a分裂ist group since he betrayed China and fled abroad, becoming a tool of international forces hostile to Communism and China. Our struggle against the Dalai clique is the main manifestation of class struggle in Tibet today; it is the continuation of the struggle between separatism and antiseparatism that can be traced back to the invasion of Tibet by imperialism. It is a life-or-death class struggle with the broad masses of people on one side and the forces that are out to restore the feudal serf owners on the other. The crux of our struggle with the Dalai is not a question of religion or autonomy; it is rather a question of safeguarding the motherland's unity and fighting separatism. With the fundamental interests of the state and nation at stake, there is no room whatsoever for compromise. In disregard of religious rituals and fixed historical convention, the Dalai declared

abroad that he has confirmed the "reincarnated Panchen child." It was an attempt to hoodwink the people, mislead public opinion, and negate the sovereignty of the state and the authority of the central government for the purpose of reaping personal gains and setting back efforts in regard to the reincarnation of the Panchen.

This is absolutely not what the Dalai claimed as "strictly a religious issue," but a political scheme designed to split the motherland, using the important Buddhist event of the Panchen's reincarnation as the stake. The Dalai understands clearly that the authority of approving Living Buddhas' reincarnations always rested with the Central Government, and that he, who has betrayed the motherland and Tibetan Buddhism and has long been engaged in discrediting the patriotic and devout 10th Panchen Lama, simply is not qualified to confirm the Panchen Lama's reincarnation. The Dalai has long been engaged in betraying Buddhist doctrines and rules, and in engaging in the reactionary political activities of splitting the country and undermining social stability. And now, to achieve his political goal, he has flagrantly interfered with the reincarnation of the Buddhist leader, the Panchen Lama. This fully shows that not only is he a reactionary politically, but also a religious renegade who has chosen to go against Buddhism. He has totally squandered the resources with which he cheats the Tibetan people.

Accelerating Tibet's development, maintaining its social stability, and achieving its magnificent objectives by the end of this century are formidable but glorious assignments confronting us. Toward the end of his report, Comrade Chen Kuiyuan called on all communist party members in Tibet to rally closely around the CPC Central Committee with Comrade Jiang Zemin as the core, and work with great zeal and high morale in rallying people of all nationalities in Tibet to head for building a socially stable and economically booming Tibet with affluent and united people of all nationalities in the year 2000. He concluded: Let us now work together to write a new and brilliant chapter about the way the Roof of the World marches toward modernization during the last five years of the 20th century.

Tibet Prepares for 30th Anniversary Celebrations

OW1208161795 Beijing XINHUA in English
1551 GMT 12 Aug 95

[FBIS Transcribed Text] Lhasa, August 12 (XINHUA) — Tibet Autonomous Region has been ready for grand celebrations to mark the 30th anniversary of the founding of the Autonomous Region which falls on September 1, an official in charge of the celebration preparations of the regional government said today.

Preluding the occasion, the Lhasa Economic and Trade Fair of Tibet '95 will be held from August 18 to 22, to highlight the earth-shaking changes that have taken place in Tibet in the past three decades.

"The scale of the trade fair will be unprecedented in Tibetan history," the official stressed.

To greet the occasion, local artists and cultural and arts troupes will stage their best performances. The major troupes of the country will be here for the celebration by August 20, according to the official.

Tibetan yaks will also join the performances by walking in military formations, he disclosed.

The major roads and streets in this capital city of the region have been decorated with color banners and bunting and various streamers. The national flag is also fluttering on major buildings.

Activities in Lhasa Noted

OW1308160595 *Beijing XINHUA in English*
1603 GMT 13 Aug 95

[FBIS Transcribed Text] Lhasa, August 13 (XINHUA) — Construction work on major projects in Lhasa, capital of southwest China's Tibet Autonomous Region, is gearing up so as to get well prepared before the coming of the 30th anniversary of the founding of the autonomous region, which falls on early September.

Workers have so far finished slabstone-laying on the square in front of the Potala Palace, with three white pagodas erected in the west of the square. This project was listed as one of Tibet's 62 projects planned for the grand celebration and involved 110 million yuan of investment from the central government.

The building of the square requires the relocation of 670 households nearby and the resettlement has been carried out smoothly. The relocated households have moved into housing totalling 57,000 sq m, forming the largest residential quarter in Lhasa. The Beijing Middle Road adjacent to the square has also been rebuilt and upgraded.

The extension and upgrading of the highway along the Lhasa River in Lhasa City, the regional capital, is near completion. The asphalt-surface road will be the first-class highway on the roof of the world.

Meanwhile, 100 km-long road connecting Lhasa to Konggar Airport will also be updated for the occasion, according to local officials.

The renovation of old houses in the old city area of Lhasa, with Bargor Street as the center, as well as the rebuilding of sewers and toilets have been done. Tibetan-style residential buildings, with a floor space

of more than 30,000 sq m, will be completed before September.

The House Property Bureau of Lhasa City has invested 18 million yuan to build houses for 420 households with housing difficulty, in a bid to make more local residents to move into standard residential areas.

The Lhasa Real Estate Company has joined hands with a Macao company in opening up the Xianzu Island in Lhasa River for commercial use with an investment of 600 million yuan from the Macao company, while two companies from Hainan Province have invested 500 million yuan to build a town on another idle island in the river. The town will combine the functions of finance, commerce, high-tech and tourism.

The plateau city has also made remarkable progress in posts and telecommunications in the first half of this year, said the officials.

A total of 47 public phones and 1,887 private telephones were installed from January to June, and the telephone availability in Lhasa is 9.42 per hundred persons, higher than the national average figure.

Currently the main body of the long-distance telecommunications building is near completion, and the laying of two optical cables, one connecting Lhasa with Xigaze, and the other linking Lhasa to Shannan, has quickened up.

Tibet Officials Resign From Regional Government

OW1208101095 *Lhasa Tibet People's Radio Network in Mandarin* 1400 GMT 10 Aug 95

[FBIS Translated Text] Xiang Yang and Sun Qiwen, vice chairmen of the Tibet Autonomous Regional People's Government, recently submitted their resignations from posts in some Tibet-hinterland enterprises. After discussing their cases, the regional people's government agreed to Comrade Xiang Yang's resignation from the post of chairman of the board of directors of the Guangdong Shenzhen-Tibet Enterprise Company, and agreed to Comrade Sun Qiwen's resignation from the post of vice chairman of the board of directors of the Shenzhen Nongbo Industrial Shareholding Company and from the post of deputy director of the Hainan Office of the Tibet Autonomous Region.

Northwest Region

Gansu Secretary, Governor Speak at Forum

SK1208011395 *Lanzhou Gansu People's Radio Network in Mandarin* 2300 GMT 10 Aug 95

[FBIS Translated Text] The provincial party committee and the provincial government held a forum in Lanzhou

on 9 and 10 August with the participation of principal responsible comrades of various prefectures, cities, and autonomous prefectures to relay the situation concerning Premier Li Peng's inspection tour of the province and to study and arrange for the work on combating disasters to ensure grain production, the work on the people's livelihood, and the work on family planning. Yan Haiwang, secretary of the provincial party committee, presided over the forum. Zhang Wule, governor of the province, said in a speech: Due to droughts, the province's summer grain output has decreased by a relatively wide margin this year; and due to power shortages, industrial production has also been affected. This situation has made it more difficult for the whole province to fulfill various tasks. Zhang Wule pointed out: The whole province, from top to bottom, must make arduous efforts. First, we should pay attention to storing grain, focusing on combating drought to ensure grain output. The province has decided that an extra 0.07 yuan will be paid for each jin of purchased grain, of which, 0.02 yuan should be used to buy chemical fertilizer. All localities should also try their best to make appropriate arrangements for [words indistinct].

Zhang Wule called on all localities to pay high attention to family planning work and clearly understand the population situation without any negligence. With regard to industrial production in the second half of this year, Zhang Wule said: Under the situation that power shortages have been relieved somewhat, preferential policies should be given to industry and to the enterprises and products with good efficiency. At the same time, we should also ensure a supply of funds, firmly grasp internal management and reform of enterprises, and strive to effect a relatively big increase in economic efficiency of enterprises.

After hearing the reports by principal responsible comrades of various prefectures, cities, and autonomous prefectures, Secretary Yan Haiwang made the concluding speech. Yan Haiwang said: We should make a correct appraisal of the current situation and seek unity in ideas and understanding. We should face up to difficulties and, at the same time, should brace ourselves, vigorously provide for and help ourselves by engaging in production, and pay attention to making appropriate arrangements for the daily lives of the people. In handing out relief grain and money, we should ensure the demands of key areas and should not [words indistinct] regardless of principle.

Yan Haiwang stressed: This year's grain procurement work must be grasped firmly. The already fixed quotas should not be decreased for the time being. The areas with good conditions should understand and give con-

sideration to the overall situation and make great efforts to procure more grain.

Yan Haiwang also reminded all localities to make early preparations for next year's production, strictly control prices to avoid a price rebound, and strive to increase income and cut expenditures.

In conclusion, Yan Haiwang called on all localities to pay high attention to family planning work, strictly control the overly rapid population growth, and set strict demands on family planning with the quota responsibility system and policy.

Yan Haiwang said: To achieve success in various items of work, the key lies in leadership. Therefore, all levels of leaders must concentrate energy on implementation work and key aspects and make concerted efforts to ensure the fulfillment of all tasks of this year.

Also speaking at the forum were Vice Governors Yang Huaixiao, Chen Qiling, and Cui Zhenghua. Attending the forum were leaders (Sun Ying), (Zhao Zhihong), Li Hulin, (Rao Fengzhu), (Shi Zhongyuan), (Lu Hao), (Gu Benli), (Guo Kun), (Yun Xiaochu), and (Han Zhongguo) as well as responsible persons of various pertinent departments directly under the provincial authorities.

Qinghai Secretary Views Enacting Deng's Theory

HK1108025495 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 26 Jul 95

[FBIS Translated Excerpt] The provincial party committee central study group on 26 July called a special topic discussion meeting on Comrade Deng Xiaoping's program of building socialism with Chinese characteristics. Participating in the discussion meeting were Yin Kesheng, Tian Chengping, Sang Jiejia, Yao Xiangcheng, (Huang Yinggang), Han Yingzhan, (Zhao Ledi), (Cheng Buyun), and responsible persons of related offices and bureaus. [passage omitted]

At the discussion meeting, Comrade Yin Kesheng dealt with his understanding in studying the program. He said, emancipating the mind and seeking truth from facts is the core of the program. In studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, it is imperative to proceed from the actual conditions of Qinghai. Qinghai is a remote border province, so it is all the more necessary to emancipate the mind to step up pace of Qinghai's economic development. Comrade Yin Kesheng indicated that the key to emancipating the mind and seeking truth from facts lies in practice; by no means should one stop at concepts. There will be risks in practice; such being the case, leadership at all levels must create conditions to support reform.

On Qinghai's development, Comrade Yin Kesheng said, it is imperative to genuinely take economic construction as the center. If Qinghai fails to develop its economy, it will have no future. While one sees the gap between Qinghai and developed provinces, one must also see Qinghai's potential. Qinghai is a small province economically, but it is also abundant in natural resources. It is imperative to mobilize the strength of all sides to build and reinvigorate Qinghai.

In conclusion, Comrade Yin Kesheng said: Under whatever circumstances, it is imperative to suit measures to local conditions, make use of available conditions, adhere to the spirit of working hard and with perseverance, and advocate doing substantial and hard work, being bold at practicing, and arming one's thinking with Deng Xiaoping's theory of building socialism with Chinese characteristics to promote Qinghai's economic development.

Xinjiang Congress Holds Second Plenum 3 Aug

OW1208170995 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 3 Aug 95

[Announcer-read report over video; from the "Xinjiang News" program]

[FBIS Translated Text] The 16th meeting of the Eighth Xinjiang Autonomous Regional People's Congress Standing Committee held a second plenary session this afternoon [3 August]. Xie Fuping, vice chairman of the autonomous regional people's congress standing committee, chaired the meeting. Amudun Niyaz, chairman of the autonomous regional people's congress stand-

ing committee; vice chairpersons Hedeerbai, Yusufu Muhanmode, Turbayim, Xu Peng, Ma Cunliang, Hujihan Hakemohu, and Amina Apaer; and Secretary General Maimaitai Simayi attended the meeting.

Those present heard and examined a report by (Wei Jianguo), chairman of the autonomous regional foreign economic and trade commission, on the autonomous region's foreign trade; a report delivered by (An Jizhi), chairman of the autonomous regional people's congress standing committee's financial and economic commission, on behalf of the autonomous regional people's congress standing committee's inspection group regarding the inspection of the region's partly or wholly foreign-owned enterprises; a report by Su Yongguang, chairman of the autonomous regional planning commission, on the implementation of Xinjiang Uygur Autonomous Region's economic and social development plan during the first half of 1995; and a written report by the autonomous regional people's congress standing committee's legislative affairs commission on the results of deliberating the draft decision to amend the autonomous region's detailed rules and regulations on the direct elections of deputies to people's congresses at or above the county level.

Mijiti Nasier, vice chairman of the autonomous region; Kurban Rozi, president of the autonomous regional higher people's court; and comrades in charge of relevant departments, commissions, and offices in the autonomous region and various prefectures, autonomous prefectures, and cities attended the meeting as observers.

Commentary Views Authorities' Brutality

OW1108134695 Beijing XINHUA Domestic Service in Chinese 0859 GMT 11 Aug 95

[**"Commentary"** by unidentified XINHUA commentator: "Killers Cannot Shirk Responsibility For Their Crimes — the Taiwan Authorities Should Not Be Allowed To Continue To Cruelly Injure or Kill Our Innocent People"]

[FBIS Translated Text] Beijing, 11 Aug (XINHUA) — Another fisherman from the coastal area of Fujian Province was recently shot to death by Taiwan troops while conducting a routine production operation in the Taiwan Strait. Instigated by the authorities, Taiwan troops have killed two unarmed mainland people from Fujian's coastal area in less than two months. Such a barbaric and cruel act is there for all to see. It is distressing for compatriots on both sides of the Taiwan Strait to see such things happening.

Disregarding our warnings and harboring evil intentions, the Taiwan authorities have repeatedly connived with their troops to fire at fishermen from the coastal areas of the mainland while they have been engaged in normal fishing operations. For a period of time, the chief of the Taiwan authorities, Li Denghui [Li Teng-hui] has been running around shaping public opinion toward separating the motherland. He has made trips to foreign countries to lobby for "two Chinas" and "one China, one Taiwan." He has also stirred up hostility among people on the island toward the motherland. Meanwhile, under the leadership of Li Denghui, the Taiwan authorities have spared no expense to purchase weapons everywhere and have wantonly created a tense atmosphere in the Taiwan Strait. The Taiwan authorities this year introduced the so-called "Auxiliary Regulations Concerning the Safety in Jinmen [Chinmen], Mazu [Matsu], Dongsha [Tung-sha], and Nansha [Spratly]." The Taiwan authorities also reorganized their troops on Mazu. As a result, fishermen from the coastal areas of the mainland were either arrested or shot at while engaged in regular fishing operations at sea or even while seeking refuge near Mazu to avoid storms.

The Taiwan authorities at first denied killing the mainland fisherman. Later, they said "troops will expel any ships that have illegally intruded into waters near our defense areas." It is known to all that Taiwan is an inalienable part of China. It should particularly be pointed out that Mazu is very close to Huangqi Peninsula in Fujian Province. Fishermen from Huangqi Peninsula must pass through the waters near Mazu to go to their fishing grounds. Fishermen from both sides have worked together in the same fishing grounds for generations. And now fishermen from Huangqi Peninsula have been cru-

elly fired upon in front of their homes by Taiwan troops. From time to time, they have lost their lives. It has been a well known fact that Taiwan fishermen working near the coasts of the mainland have been well taken care of whenever they have come to avoid storms or met with other difficulties.

Li Denghui's action in condoning the slaughter by some in the Taiwan authorities of mainland fishermen is aimed at creating hatred between compatriots on the both sides of the Taiwan Strait. A debt of blood owing to the people should be paid back in the long run. It goes against the will of the people to create antagonism between the compatriots on the two sides of the Taiwan Strait.

Xiamen To Continue Economic Ties With Taiwan

OW1308124595 Beijing XINHUA Hong Kong Service in Chinese 0050 GMT 7 Aug 95

[By reporters Shi Yusheng (4258 3768 3932) and Jiang Guoyan (5592 0948 3533)]

[FBIS Translated Text] Xiamen, 7 Aug (XINHUA) — Shi Zhaobin, secretary of the Xiamen City CPC Committee, recently pointed out: Xiamen will make full use of its close relations with Taiwan to continue developing economic and trade exchanges and cooperation with Taiwan. This policy will not change. Xiamen will conscientiously protect all legitimate rights and interests of Taiwan business people.

Shi Zhaobin said: Xiamen will provide better guidance for Taiwan investment, and improve the technical standards and scale of Taiwan-funded ventures. It will establish Taiwan-funded agricultural development zones where fine seeds and seedlings, and advanced farm management expertise will be imported from Taiwan. Xiamen should encourage Taiwan's raw materials dealers, distributors, and agents to set up distribution centers and trade centers for Taiwan goods in the Xiangyu Bonded Zone and in bonded markets for the means of production.

Following its opening up to the outside world, Xiamen, which is separated from Taiwan by a narrow strip of water, has become an important port through which Taiwan compatriots enter or leave the mother mainland, and the site with the highest concentration of investment from Taiwan compatriots on the mainland. During the first six months of this year, about 1.3 million Taiwan compatriots entered or left Xiamen; approximately 1,200 Taiwan-funded projects were approved; and more than \$2 billion was invested by Taiwan business people.

Xiamen's trade with Taiwan totals several hundred million U.S. dollars each year. Shi Zhaobin noted:

Xiamen should further expand the scope within which commercial and trade enterprises are authorized to trade with Taiwan, and form groups that trade with Taiwan.

Shi Zhaobin said: Xiamen should intensify efforts to remodel and expand the Gaoqi International Airport, and passenger and cargo wharves in Xiamen harbor. It should build more berths for Taiwan's steamers, and rebuild, expand, or build a number of tourist guesthouses in preparation for direct air and shipping services across the Taiwan Strait.

Xiamen has built a mobile communications network that covers Jinmen [Chinmen], and expanded water-supply, electricity, and communications projects on Dadeng Island, which is closest to Jinmen. Shi Zhaobin noted: Xiamen will further improve postal and telecommunications facilities, and do a good job of supplying water and electricity to Jinmen and promoting direct postal, air, and shipping service between the two regions.

**Further on Mainland's New Round of Missile Tests
Official: 'Move' Expected**

*OW1208075895 Taipei China Broadcasting Corporation News Network in Mandarin
2300 GMT 10 Aug 95*

[From the "Hookup" program]

[FBIS Translated Text] The Chinese Communist authorities have again announced missile test exercises in the same waters where the last tests and exercises took place. According to a XINHUA report, the Chinese People's Liberation Army (PLA) will conduct guided missile and artillery firing exercises in the East China Sea beginning 15 August. The exercises are scheduled to last for 10 days. These are the second guided missile exercises conducted north of Taiwan by the Chinese Communist authorities within one month. The location is slightly farther north than the last ones.

Quoting an announcement just released by the Ministry of Communications of the Chinese Communist authorities, XINHUA says that the PLA will conduct guided missile and artillery firing exercises 15-25 August in the East China Sea and in the air space above, and the specific location has been announced. The announcement says that for safety's sake, ships and airplanes of other countries and regions should not enter the specified sea and air space during this period. The shortest distances from the falling points of the guided missile and artillery firing exercises are 101 km, 61 km, 121 km, and 157 kilometers respectively from Pengchia Yu, Tung Yin, Matsu, and Chilung [Keelung]. The location is slightly farther north than the last exercises.

According to the PLA, all the targets were hit in the last missile tests, carried out 21-26 July. According to a XINHUA report, only guided missiles were launched in the last tests, but artillery firing has been added to the coming exercise.

Reacting to the announcement by the Chinese Communist authorities of another missile test, the Mainland Affairs Council (MAC) made a statement today. A MAC official said that this move of the Chinese Communist authorities was expected. In addition to expressing deep regret, our side should follow the event closely and acquire related information.

MAC Chairman Hsiao Wan-chang, Vice Chairmen Kao Kung-lien and (Yeh Chin-feng), and [word indistinct] met at MAC at 9 o'clock on 9 Aug to discuss ways to deal with the matter. Then Kao Kung-lien made a statement. He said:

[Begin recording] In regard to XINHUA's announcement today that the Chinese Communist authorities will conduct another live firing exercise in the waters of

the East China Sea, MAC has already said, after the last missile test, that the Chinese Communist authorities would make a series of moves after that. Therefore, today's announcement was expected. However, in the past, the Chinese Communist authorities usually have not made any announcements prior to their exercises. Recently, they have made open announcements one after another, of their own accord. This apparently has a political purpose. Those concerned on our side will follow the matter closely and acquire related information. This unfriendly and irresponsible move of the Chinese Communist authorities fully shows that they do not understand the situation of Taiwan and the popular will. MAC urges the Chinese Communist authorities to value the benefits of cross-strait exchanges, which are not easily come by, and to maintain jointly cross-strait reconciliation and stability. [end recording]

Kao Kung-lien did not give any explanation of the political purpose mentioned.

Testing Site Term 'Dangerous'

*OW1208133895 Taipei CNA in English
0928 GMT 12 Aug 95*

[By Yang I-feng]

[FBIS Transcribed Text] Taipei, Aug. 12 (CNA) — The Civil Aeronautics Administration (CAA) Saturday [12 August] designated as dangerous the site of Mainland China's forthcoming missile and artillery tests.

Beginning on August 15, the People's Liberation Army will conduct a series of missile and live artillery tests in an area 75 nautical miles north of Taiwan.

Although the test area does not cover Taipei's flight routes, the CAA has decided to declare the testing range as dangerous and inform all domestic and foreign airlines about the risk of flying in the area.

Meanwhile, residents of Matsu island said that the missile tests should not disturb people on Taiwan.

Matsu residents said that they have survived many battles over the past 40 years, and the missile tests are nothing to worry about.

Other Reactions Noted

*OW1208015995 Taipei CNA in English
0141 GMT 12 Aug 95*

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Aug. 11 (CNA) — Mainland China's planned new round of missile tests in waters off Taiwan Aug. 15-25 continued to draw outraged reactions on Friday.

Beijing announced Thursday that it would carry out "guided missile and artillery firing" off northern Taiwan — the second such maneuvers to be held in the East China Sea in barely a month.

The mainland fired six missiles into waters 150 kilometers off northern Taiwan in late July.

The legislative caucuses of the opposition Democratic Progressive Party (DPP) and the Chinese New Party (CNP) said unanimously that Beijing's missile exercises call for the holding of an extraordinary session at the legislature, where Premier Lien Chan will be expected to report on the government's countermeasures.

CNP Secretary-General Jaw Shau-kong condemned Beijing for holding the missile tests, saying they were hurting the cross-Taiwan Strait relationship. He urged the government to immediately hold an expanded consultative meeting, inviting all political parties to discuss counter strategies.

DPP Deputy Secretary-General Lin Chung-cheng called on the United States to provide Taiwan with sufficient anti-missile defensive systems in accordance with its Taiwan Relations Act, saying that Beijing's continued missile exercises in the East China Sea pose a substantial threat to Taiwan's security.

Kuomintang legislator Wang Hsien-ming urged the Executive Yuan to seek early delivery of the U.S.-made third-generation Patriot Missiles Taiwan has on order. Currently, he pointed out, Taiwan's Sky Bow Missiles are not sufficient to cope with Beijing's military threat.

Some academics and experts argued that the government should establish a task force on cross-Strait crises to alleviate the tension between the two sides.

During a public hearing on cross-Strait ties hosted by KMT legislator Chao Yung-ching, National Chengchi University Professor Kao Yung-kuang claimed that closer cross-Strait economic exchanges have brought more political confrontations.

In addition to the cross-Strait task force, Kao also suggested that the Legislative Yuan conduct political dialogues with its mainland counterpart to help relieve the growing tension.

Calling Beijing's missile tests "military intimidation," another professor from National Chengchi University, Li Ying-ming, noted that the mainland uses an intimidation strategy to cover up for an internal power struggle and political instability.

National Sun Yat-sen University Professor Lin Wen-cheng asked the government to take a "war preparedness" tack in the face of the mainland's military threat,

saying that Taiwan must place greater emphasis on its sea- and air-defense capabilities.

Both Li and Lin recommended that the Ministry of National Defense make public Beijing's military moves to help keep the public's fears to a minimum.

Yuan T. Li, a Nobel Laureate in chemistry in 1986 and now president of Academia Sinica, said he was worried about the mainland's increasing feelings of hostility toward Taiwan, which he said would take a long time to resolve.

Li returned earlier this month from an international physics meeting in Shantou, southeast Mainland China, during which he said mainland academics were friendly.

Such meeting are conducive to cross-Strait scientific exchanges, he pointed out.

Air Force Commander Comments

OW1208021495 Taipei CNA in English
0200 GMT 12 Aug 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Aug. 11 (CNA) — The second squadron of Taiwan-built Ching Kuo jet fighters is slated to be commissioned in September and will be displayed before the public in a military exercise, Air Force Commander-In-Chief Gen. Huang Hsien-jung said Friday.

"The ROC [Republic of China] Air Force's capability can be depended upon," Huang said, referring to the round-the-clock patrol by its air fleet, which is composed of some 300 F-5s and F-104s, plus a squadron of Ching Kuos, which are better known as Indigenous Defensive Fighters.

He touted the Air Force's improved radar system, saying it is able to fully monitor the flights of any mainland Chinese aircraft 250 miles from Taiwan.

Speaking of Mainland China's planned guided missile tests in waters northwest of Taiwan Aug. 15-25, Huang said they are meant to intimidate Taiwan into not breaking off from China.

While saying that air-patrol missions may be somewhat adjusted during the period to avoid tensions in skies over the Taiwan Strait, Huang said Taiwan's air security will not be undermined.

In related news, a ministry of national defense official said the ROC's "Hua Hsin exercise" in October will be a routine military drill. "It is a review of military combat readiness, not an upscale exercise," the official

said, adding that the test will not be meant as a response to the mainland's upcoming missile firing tests.

Lien Comments on 14 Aug

*OW1408015295 Taipei CNA in English
0121 GMT 14 Aug 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Aug. 12 (CNA) — Beijing's recent irrational moves, including vehement verbal attacks on ROC [Republic of China] President Li Teng-hui and a series of missile tests near Taiwan, are by no means conducive to China's eventual reunification, Premier Lien Chan said Saturday.

Lien made the statement while inspecting the Ministry of Foreign Affairs. This was the first comment from Lien since Beijing announced Thursday that its People's Liberation Army (PLA) will conduct a second round of guided missile tests Aug. 15-25 in the East China Sea north of Taiwan. The upcoming drill follows a similar PLA exercise at a similar location in late July.

"Beijing's repeated displays of its military might aimed at suppressing Taiwan's pragmatic diplomatic efforts to upgrade its international profile has brought cross-Taiwan Strait relations to a low ebb," Lien said, adding such irrational moves have not received positive international response and have aggravated local people's animosity toward Mainland China.

Lien pointed out that Beijing's attempt to block Taiwan's presence in the international community under its "one China" policy and its claim to sovereignty over Taiwan are quite alien to the reality, stressing China has been divided and ruled by two separate governments since 1949.

"We regret Beijing has not understood our determination and sincerity to pursue China's peaceful reunification under freedom and democracy in a gradual manner," Lien said.

Despite Beijing's bully-like intimidation, Lien said Taiwan will neither sway from its basic national policy to pursue China's unification nor suspend its pragmatic diplomacy.

Noting that pragmatic diplomacy is needed to ensure Taiwan's continued national development, Lien said Taiwan will endeavor to expand its diplomatic frontiers and to promote exchanges with Mainland China simultaneously. "We believe the two tasks can complement each other," he added.

The premier also ordered the Ministry of Foreign Affairs to continue promoting Taiwan's bid to join the United Nations.

"Our UN bid is aimed at reminding the international community of China's actual current state as well as rebuilding and upgrading Taiwan's international profile," Lien explained.

Initially, Lien said the ministry can focus its effort on promoting Taiwan's bid to join UN affiliates, such as the International Monetary Fund and the World Bank.

He further called for the establishment of a new international "balance of power" mechanism to maintain peace and security in the Asia-Pacific region in the post-Cold War era.

Noting that the Asia-Pacific situation has changed fundamentally since the collapse of the Soviet Union, Lien said a new mechanism is needed to maintain regional peace and stability.

On bilateral relations, Lien urged the Foreign Ministry to continue promoting high-level exchanges and contacts with the United States, Taiwan's most important trade partner.

He also said the ministry should pay special attention to Taiwan's relations with Central American countries as Beijing has stepped up efforts to sabotage Taiwan's ties with those countries.

Meanwhile, Lien said Taiwan should continue its effort to develop ties with countries in Africa and other parts of the world.

Air Force To Acquire New Jet Fighters in 1997

*OW1108122195 Taipei CNA in English
0132 GMT 11 Aug 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Aug. 10 (CNA) — The ROC [Republic of China] Air Force's plan to acquire 150 U.S.-built F-16's and 60 France-built Mirage 2000-5's is progressing as scheduled, with the first batch of the jet fighters scheduled to be commissioned in 1997, a high-ranking air force official said Thursday.

"Construction (of the jets) is not behind schedule, and preparatory training programs are under way," Air Force Commander-in-Chief General Huang Hsien-jung told the press.

He also said the first E-2T Airborne Early Warning and Command Aircraft the air force has ordered from the U.S. will be displayed before the public in a military exercise in October.

In addition, he added, the air force's plan to acquire 120 locally manufactured indigenous defense fighters [IDF] before the turn of the century remains unchanged,

despite the recent crash of an IDF during a training run. The first IDF squadron has been in service [sentence as received].

Noting Beijing's hostility, Huang emphasized that the military's air-defense system is able to safeguard Taiwan. The improved air-defense system the air force calls the "strong net (chiang wang in Chinese) system," allows the military to conduct fully automated early-warning and identification missions.

The old system, dubbed the "sky net system," has been moved to the east of Taiwan to beef up the air defense in that part of the island, Huang added.

Huang also tried to downplay the upscale military exercise Communist China plans to hold in October. "Holding drills is routine for the military on either side of the Taiwan Strait," Huang said, urging the mass media not to exaggerate the mainland's war games.

Contract Set For Modified Antimissile System

OW1208143295 Taipei Voice of Free China
in English 0200 GMT 4 Aug 95

[FBIS Transcribed Text] The ROC [Republic of China] is ready to establish an antimissile system to beef up its defense capability.

Since the mainland Chinese Army conducted a missile drill near northern Taiwan last week, it has become a major concern whether Taiwan's armed forces are able to intercept missiles fired from the other side of the Taiwan Strait.

A spokesman said the military is studying several proposals to improve Taiwan's antimissile defense capability. He said: To exactly thwart a [as heard] missile attack, our weapons system must be further improved. Many major countries are developing missile defense systems, but at the moment, only two antimissile systems are available in the international arms market: the U.S. Patriot and the Russian-built F-300. Of the two, only the Patriot missile system has been tested in combat. Taiwan has negotiated a deal with the Massachusetts-based Raytheon Corporation to purchase 20 billion new Taiwan dollars' worth of modified air defense systems and an advanced version of the Patriot antimissile system.

The spokesman also said the development of medium-range missiles requires careful study based on military strategic viewpoints. In the face of Peking's military threats, the most important strategy is to strengthen local people's psychological effects. He said: We should always remain calm and stand united in the face of any challenge.

Ministry To Verify Reports of 'Trade Secrets'

OW1408073695 Taipei CHUNG-YANG JIH-PAO
in Chinese 11 Aug 95 p 4

[FBIS Translated Text] According to media reports, nearly 20 countries, including Taiwan, are engaged in gathering trade secrets in the United States. Ministry of Foreign Affairs [MOFA] Spokesman Leng Jo-shui said yesterday that MOFA has asked our representative office in the United States to learn about this issue. He emphasized that this issue relates to our country's reputation and that MOFA will take action based on the United States' official documents rather than media reports.

Leng Jo-shui said: MOFA has asked our representative office in the United States to learn about this issue from the unit that wrote the report. Since our country's reputation is involved, MOFA will verify this issue clearly, and we will learn about this issue based on official documents.

He stated that the government will advise our businessmen if they violate other countries' laws in conducting business activities.

Official Urges Japan To Stop 'Covering Up' Mistakes

OW1208023695 Taipei CNA in English
0145 GMT 12 Aug 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Aug. 11 (CNA) — To revamp its international image, Japan should concede that it made a mistake in invading other countries during World War II [WWII], ROC [Republic of China] Foreign Ministry spokesman Rock Leng said Friday.

Leng advised the Japanese to emulate Germany, which has admitted to the historic error of starting WWII.

"If Japanese continue covering up for the mistakes they have committed, it will be 'improper' both for Japan's future development and its national image," Leng said.

Newly appointed Japanese Education Minister Yoshinobu Shimamura told a press conference shortly after midnight Tuesday following the cabinet reshuffle in Tokyo that how one defines a war of aggression is "a matter of opinion."

Shimamura's remarks touched off strong protests from South Korea and Mainland China. At a press conference on Wednesday, Shimamura apologized to Chief Cabinet Secretary Koken Nosaka for the trouble his remark had caused the Japanese Government.

Further on Apology

*OW1408022395 Taipei CNA in English
0139 GMT 14 Aug 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Aug. 13 (CNA) — Japan has apologized to the Republic of China [ROC] for the remarks made by newly appointed Education Minister Yoshinobu Shimamura on Japanese aggression during World War II, the Ministry of Foreign Affairs said Saturday [12 August].

In addition to the apology for Shimamura's remarks, which was conveyed to the ROC [Republic of China] Ministry of Foreign Affairs through Japan's Interchange Association, Prime Minister Tomiichi Murayama on Tuesday will formally announce an apology for Japanese atrocities during the war and for the suffering the country brought to the rest of Asia.

Taipei on Friday expressed concern and protested after Shimamura, who was appointed the new education minister in a cabinet reshuffle in Tokyo, said that how one defines a war of aggression is a "matter of opinion." He also claimed that many people today know little about the war, and that Japan should not have to keep apologizing for its war actions.

The Japanese Government apologized to Taipei on late Friday, saying that Shimamura's remarks did not represent the position of the Japanese Government.

Shimamura's remarks touched off strong protests from South Korea and Mainland China. At a press conference on Wednesday, Shimamura apologized to Chief Cabinet Secretary Koken Nosaka for the trouble his remarks had caused the Japanese Government.

Li, Japanese Lower House Member Discuss Ties

*OW1208024695 Taipei CNA in English
0127 GMT 12 Aug 95*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Aug. 11 (CNA) — President Li Teng-hui said on Friday that the progress and prosperous lifestyles Taiwan people enjoy now are the fruit of the nation's efforts in economic development and political democratization over the past 40 years.

Li made the remarks during a meeting with Nakao Eiichi, a member of the Japanese Diet's lower house. Ma Chi-chuang, chairman of the Association for East Asian Relations, and Ding Mou-shih, secretary-general of the National Security Council, were also present.

While stressing that "the people's voice" is his guiding principle in handling national affairs, Li said the top two

priorities for him as the head of state are to increase benefits for Taiwan citizens and to win international recognition and respect for the nation.

In return, the Japanese visitor said he was impressed by the Republic of China's rapid development and gave a high appraisal to Li's capable leadership.

Eiichi, a former International Trade and Industry Minister, is an influential figure on Japan's political scene.

MAC Official Views Jiang Zemin's Statement

*OW1408111595 Taipei CNA in English
1031 GMT 14 Aug 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Aug. 14 (CNA) — Only after Beijing renounces the use of force against Taiwan can the two sides of the Taiwan Strait begin negotiations for an end to mutual hostility, a senior Mainland Affairs official said Monday.

Vice Chairman Kao Kung-lien of the Mainland Affairs Council (MAC) was commenting on Mainland Chinese President Jiang Zemin's statement made over the weekend in an interview with the Japanese daily ASAHI SHIMBUN saying Beijing will not renounce the use of force against Taiwan because if it does so China's peaceful reunification will be impossible.

"Nobody is willing to negotiate with his or her opponents under threat or intimidation," Kao noted, adding Taiwan is unlikely to start "end of hostility" or national unification talks with Beijing until mainland leaders renounce the use of force against it. Kao pointed out the ROC [Republic of China] Government already made it clear that it will not pursue national unification by force when it declared termination of the period of national mobilization for suppression of communist rebellion on May 1, 1991.y

Against this background, Kao said the two sides can begin negotiations for national unification on an equal footing only after Beijing renounces its intention to use force against Taiwan.

Kao suggested that mainland President Jiang make such an announcement at an international occasion, such as an international news conference, to signify Beijing's commitment to promoting China's reunification by peaceful means.

[words indistinct] Beijing makes such an announcement, Kao said, Taiwan will form a task force to prepare for "end of hostility" talks with the mainland. "This idea has been explained clearly in President Li Teng-hui's six-point statement on development of cross-strait relations

issued on April 8 during a National Unification Council meeting," Kao added.

He also urged local people, particularly stock investors, to remain calm and not to overreact to the upcoming 10-day mainland missile drill. Kao further said the stock market plunge in recent days may not necessarily be caused by mainland missile tests but rather by the recent string of frauds at two major financial institutions.

Lien Chan on Desire for Unification of China

*OW1108132095 Taipei LIEN-HO PAO in Chinese
10 Aug 95 p 4*

[FBIS Translated Text] Premier Lien Chan reiterated yesterday that the Republic of China government has been advocating "one China," but has never advocated "two Chinas," "one China and one Taiwan," or "Taiwan Independence." The separation of China is caused by differences in systems and political ideology. None of the Chinese people on Taiwan wishes to be under the rule of the Communist Party.

Lien Chan emphasized that the cross-strait issue is not an issue of how many Chinas, but an issue of how to achieve unification in freedom and democracy. Only a unified, democratic, prosperous China with balanced wealth is the Chinese people's pride. Lien Chan made these remarks when meeting with a delegation of overseas outstanding youths from around the globe, yesterday.

MAC Urges Mainland To Adopt Peaceful Approach

*OW1108131595 Taipei CNA in English
0145 GMT 11 Aug 95*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Aug. 10 (CNA) — Mainland Affairs Council Chairman [MAC] Hsiao Wan-chang on Thursday [11 August] urged Mainland China to commit itself to the peaceful resolution of cross-strait disputes.

Hsiao's remarks came at a Legislative Yuan session when reporting on Mainland China affairs.

Beijing, annoyed by president Li Teng-hui's and Premier Lien Chan's respective visits to the United States and three Central European countries earlier this summer, conducted a series of missile tests some 150 kilometers just north of Taiwan late last month.

The missile tests, Hsiao said, have aroused strong criticism and opposition both in Taiwan and abroad. Overseas Chinese communities in the U.S., Europe, Latin America and Africa have unanimously accused

Mainland China of destroying cross-strait stability and peace.

Hsiao, citing statistics compiled by the government information office, said newspapers and magazines around the world have so far carried more than 790 reports and articles on the mainland's missile launchings.

According to Hsiao, most of the foreign and local media are of the belief that the motive behind Mainland China's missile tests last month was to create tensions in the region and to bully Taiwan because of its successful pragmatic diplomacy.

Against such backgrounds, Hsiao urged Mainland China to adopt a rational approach in resolving cross-strait disputes and to work together with Taiwan to further boost mutual trust and understanding, which he said would help both sides on the Taiwan Strait make greater contribution to maintaining peace in the Asia-Pacific.

Catholic Bishops Urge End to Cross-Strait Disputes

*OW1408024495 Taipei CNA in English
0202 GMT 14 Aug 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Aug. 13 (CNA) — Taiwan Catholic bishops on Sunday condemned any attempt to resolve differences across the Taiwan Strait through violent or military acts, calling for peaceful negotiations to settle problems.

In a joint letter to the public, the bishops expressed their animosity toward war and urged people not to forget the cruelties past wars have brought to humanity.

The letter, prepared to mark the 50th anniversary of the end of Japanese aggression in China, said war can neither uphold justice nor resolve disputes.

Quoting Pope John Paul II, the letter asserted that war is a human deed that only serves to bring about self-destruction. Any war, it said, is a tragedy for both parties involved, be they the winners or losers.

The bishops appealed to people from both sides of the Taiwan Strait to remember the bloody lessons of World War II and to seek peaceful resolutions to their differences through negotiations and the exchange of opinions.

Radio Views Li's 100-Year Peace Accord Proposal

OW1208090495 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 10 Aug 95

[Station commentary: "What Sort of Peace We Want?" — from the "News and Current Events" program]

[FBIS Translated Text] After causing tension in the Taiwan Strait with their brazen acts in various parts of the world to divide the motherland, the Taiwan authorities have now come around to proposing peace.

For example, at the recent Taiwan symposium to discuss proposals on state affairs, Mr. Li Denghui [Li Teng-hui] proposed that the two sides should sign a 100-year peace treaty, saying that it could eliminate hostilities and achieve reunification. Li Denghui, who evidently is the one who takes the lead in undermining peace, is now trying to disguise himself as an angel of peace. This sleight-of-hand magic performed by the Taiwan authorities and Li Denghui is quite astounding.

Taiwan's media point out that the Taiwan authorities and Mr. Li are using their habitual double-dealing tactics in an attempt to cheat public opinion and camouflage their acts of splitting the motherland. This is really an astute observation.

Listeners, have you noticed that while the Taiwan authorities reiterate the one China policy, they also state that they will persevere in upholding the sovereignty of the Republic of China and that nothing can be discussed until the government of the motherland acknowledges Taiwan as a political entity? In doing this, the Taiwan authorities are actually making high-sounding statements and at the same time making noises about splitting the country.

How sincere are the Taiwan authorities and Mr. Li Denghui when they claim they want peace? When the Taiwan authorities and their leaders play the dangerous game of multiplying a positive number with a negative number — the outcome of which will still be negative — they let the people see more clearly that their real intention is to divide the country in the name of peace; and they will also make their already very bumpy course even more difficult.

It is true that both sides of the strait want peace; but the kind of peace we need should be one that is in the interest of reunification, not one that abets division. What the Taiwan authorities and Mr. Li Denghui evidently want is the latter. This is absolutely impermissible. If the Taiwan authorities and Mr. Li refuse to change their intention, genuine peace in the Taiwan Strait will certainly be impossible, let alone a peace that will last 100 years.

During the period of the Warring States over 2,000 years ago, King Xuan of the State of Qi sought Mencius' advice on how to achieve national stability. Mencius replied: Let there be one country. What he really meant was that stability and peace could not be achieved without national unification. It seems that Mencius' advice is still applicable today. I hope Mr. Li Denghui, who wants a 100-year peace, and the Taiwan authorities will heed this advice too.

Siemens, China Steel To Cooperate on Ventures

*OW1208130195 Taipei CNA in English
0933 GMT 12 Aug 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Aug. 12 (CNA) — Germany's Siemens Group will cooperate with China Steel Corp. (CSC) to tap Taiwan's high-speed railway and mass rapid transit (MRT) system markets.

With ROC [Republic of China] Economic Affairs Minister P. K. Chiang witnessing, [the] Siemens Rail Car Division chief and CSC Chairman Wang Chung-yu signed a letter of intent in Taipei Saturday [11 August] expressing their intention to cooperate in manufacturing high-speed railway and MRT-related equipment in Taiwan.

According to the document, the Siemens-CSC cooperation can be in the form of joint venture, technical co-operation or technology transfer.

The Siemens executive told Chiang that his company is interested in supplying Taiwan with high-speed railway and MRT cars, components and parts as well as related engineering consulting services. Siemens will send a team of technical experts and other related executives to Taiwan in the near future to discuss detailed cooperative terms with the CSC.

CSC Chairman Wang said the proposed cooperation with Siemens is part of the CSC's effort to diversify its operations following the company's privatization earlier this year.

Taiwan has decided to build a high-speed railway linking Taipei in the north to Kaohsiung in the south to facilitate inland transport. Construction and operation of the multibillion-dollar railway system will open for private investment. The Ministry of Transportation and Communications will set up a special task force to promote the construction project.

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Additional Aerospace Firms To Form Alliances*OWI208125995 Taipei CNA in English**0913 GMT 12 Aug 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Aug. 12 (CNA) — Two more world-renowned aerospace companies — Northrop Grumman of the United States and Dassault Group of France — have decided to form strategic alliances with Taiwan to strengthen bilateral cooperation, the Economics Ministry's Committee for Aviation and Space Industry Development said Saturday.

Strategic-alliance agreements between Taiwan and the two companies are scheduled to be signed next week when senior Northrop Grumman and Dassault executives will come here to attend the opening ceremony of the 1995 Taipei International Aerospace Technology and Defense Industry show, the committee said.

Taiwan already signed strategic-alliance accords with 30 multinational business groups, including three U.S.-based aerospace firms — Allied Signal, Allison and Lockheed Martin. Under such agreements, the ROC [Republic of China] Economics Ministry will assist the signatory companies in launching new investment projects in Taiwan and in developing joint-venture partnerships or technical cooperative ties with their Taiwan counterparts.

Dassault and Northrop Grumman are no strangers to Taiwan. Dassault is the manufacturer of the 60 Mirage 2000-5 jet fighters Taiwan has purchased from France. Delivery of the fighters is scheduled to begin in 1997. Northrop Grumman was formed in June 1994 through the merger of Northrop Corp. and Grumman Co. Taiwan cooperated with Northrop Corp. in producing F5E's in the 1970s and once purchased four S2-T anti-submarine aircraft and four E2-T early warning and command aircraft.

Aerospace officials said the signing of strategic-alliance pacts with the two firms is expected to further boost development of Taiwan's aerospace industry.

A total of 150 local and foreign aerospace companies will take part in the Third Taipei International Aerospace Technology and Defense Industry show to be held at the Taipei World Trade Center Aug. 17-20.

Nearly all major aerospace firms, including Bell, Boeing, McDonnell-Douglas, Matra, Dassault, Aerospatiale and Eurocopter, will participate in the biennial Taipei air show. In connection with the show, 28 foreign-made military and commercial aircraft will be displayed at the Sungshan Military Airport in downtown Taipei. This

will be the first time actual advanced airplanes are exhibited here.

There are currently 16 aerospace companies in Taiwan, producing a variety of aircraft parts and components. Their total capitalization was estimated at NT[new Taiwan]\$4.13 billion (US\$150.73 million) at the end of 1994.

Aerospace officials said the show is expected to provide a good opportunity for Taiwan manufacturers to discuss joint-venture or business deals with their foreign counterparts. About 30 cooperative projects between Taiwan and foreign firms are now under discussion, the officials said.

Country To Ease Residency Restrictions*OWI208120795 Taipei CNA in English**0952 GMT 12 Aug 95*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, Aug. 12 (CNA) — Taiwan will ease residency restrictions for people from Macao and Hong Kong, officials from the Bureau of Entry and Exit said Saturday [11 August].

The new regulations will assist those who have helped Taiwan Government pushing works in Hong Kong and Macao to apply for settlement in Taiwan, bureau officials said [sentence as received].

Those Hong Kong and Macao residents who have assisted the Taiwan government in the two colonies will be allowed to settle in Taiwan after their efforts have been verified by Taiwan Government agencies in either colony.

Originally, only Hong Kong and Macao residents who invested in Taiwan or professionals could apply for household registration after living in Taiwan for one year. The new regulations will allow Hong Kong or Macao residents who have spent 270 days each year here for two years to apply for a household registration here.

Hong Kong and Macao residents who have invested in Taiwan or deposited NT[new Taiwan]\$5 million (US\$185,185) here for one year will also be allowed to apply for residency in Taiwan, bureau officials said.

Financial Sector Stimulus Package Announced*OWI208022295 Taipei CNA in English**0210 GMT 12 Aug 95*

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Aug. 11 (CNA) — The government announced on Friday a three-pronged

pump-priming package to prop up Taiwan's financial sector, which has been hard hit by a string of fraud scandals and Beijing's announcement of more missile tests in waters off northern Taiwan.

The new measures were made public separately by Central Bank of China (CBC) Governor Sheu Yuan-dong and Finance Minister Lin Chen-kuo following their consultations with Premier Lien Chan earlier in the day.

Sheu said at a press conference that the reserve requirements for checking, demand and savings accounts will be reduced by 1 percentage point, and those for time deposits will go down by 0.5 percentage points. The new move will take effect on Saturday.

The lower reserve requirements are expected to channel NT [new Taiwan] \$63.4 billion (US\$2.31 billion) into the domestic capital market to meet the business community's demand for funds, Sheu pointed out.

On the other hand, he noted, the central bank will issue negotiable certificates of deposits (NCDs) "at proper time" in a bid to stabilize domestic commodity prices.

Meanwhile, Lin announced that foreign institutional investors will be allowed to invest up to 15 percent of the bourse's market value, up from the current 12 percent ceiling.

Under the new measure, the ceiling for aggregate foreign stock investment could rise from US\$22.4 billion to US\$28.6 billion on the basis of stock prices at the end of June.

So far, the central bank has approved a combined US\$11.12 billion in foreign stock investment, of which about US\$5.88 billion has been remitted, thereby leaving ample room for more stock investment from abroad.

In addition, Lin said, the ceiling on a single foreign institutional investor's stake in any one listed company will rise from 6 percent to 7.5 percent.

Domestic banks will also be allowed to invest up to 15 percent of their net assets in securities, up substantially from the current 10 percent, he noted. Statistics show that the net assets of all domestic financial institutions amounted to NT\$616 billion (US\$22.48 billion) at the end of June.

The revised measure will raise the ceiling on the banks' securities investment from NT\$61.6 billion (US\$2.248 billion) to NT\$92.4 billion (US\$3.37 billion).

Currently, actual securities investment by the banks totals about NT\$36 billion (US\$1.31 billion).

K.C. Li, vice chairman of the Council for Economic Planning and Development, said the package is a

last-ditch effort by the government to revitalize the economy.

The package, which will have little impact on price stability, will certainly have a positive effect on the financial stability, Li noted.

Diplomatic Efforts Affected by 'Insufficient' Budget

*OW1408021295 Taipei CNA in English
0128 GMT 14 Aug 95*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, Aug. 12 (CNA) — An insufficient national budget and reductions in the Ministry of Foreign Affairs' budget have affected the diplomatic efforts of the ministry, Foreign Minister Chien Fu said Saturday.

Chien spoke of the difficulties of the ministry during a meeting with Premier Lien Chan Saturday morning.

Chien said that the international community has chosen not to offend Mainland China because they wrongly believe that the one China policy refers to the People's Republic of China, and they are lured by the potential trade opportunities in the mainland.

Chien said that many nations welcome trade relations with Taiwan, but have refrained from developing diplomatic ties for fear of offending Beijing.

After rapid economic development, Mainland China has been able to use dollar diplomacy to court the support of other nations through the offering of trade opportunities. Such actions have damaged years of diplomatic efforts on the part of Taiwan.

In comparison, Chien said that with the limited number of 30 nations that have established diplomatic ties with the ROC [Republic of China], and Beijing's boycott of ROC efforts to join the international community, the ROC has been treated unfairly, noting that it is asked to adhere to international norms, but is unable to enjoy the same rights.

Chien also said that the exchanges between the two sides of the Taiwan Strait will help boost understanding and respect, but Beijing has ignored the benefits and has resorted to intimidation and stifling of Taiwan's diplomatic efforts. Beijing's hegemonic mentality has hurt the feelings of people in Taiwan, and has not been helpful to the unification process.

Chien said that the government will continue to work to win the recognition of international community and that the ROC needs a reasonable status in the community.

Country 'Actively Promoting' Academic Diplomacy

*OWI408024095 Taipei CNA in English
0144 GMT 14 Aug 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Aug. 13 (CNA) — Taiwan is actively promoting academic exchanges with countries around the world in expectation that academic diplomacy will prove to be a vital part of its pragmatic diplomacy.

As part of the strategy, National Taiwan University [NTU] recently established an office under the framework of the academic group University Mobility in the Asia-Pacific (UMAP), hoping the office will harness the resources of Taiwan universities to promote international academic exchanges.

The UMAP Taipei office, under the direction of NTU Professor Chang Han-liang, will handle a broad range of academic affairs, including student-exchange programs, language training programs, and the granting of student visas.

UMAP was formed in 1991 to help universities in the Asia-Pacific exchange students, professors and researchers.

In addition, National Taiwan Normal University is planning to establish an APEC education forum study center to regularly and systematically boost academic exchanges between Taiwan and member countries of the Asia-Pacific Economic Cooperation forum.

The idea was the brainchild of the APEC education forum, which met in Beijing in May and proposed that all APEC members set up their own APEC education forum study centers to boost educational exchanges.

The APEC education forum study center in Taipei will be financially and administratively supported by the Ministries of Education and Foreign Affairs, as well as the Council of Labor Affairs, according to Vice Education Minister Yang Kuo-si.

Singapore Emerging as Gateway to Mainland Market

*OWI208125895 Taipei CNA in English
0939 GMT 12 Aug 95*

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Aug. 12 (CNA) — Signs are that Singapore will very likely replace Hong Kong as the gateway for Taiwan investors to make inroads into Mainland China after Hong Kong reverts to Mainland Chinese rule in 1997.

Officials at the Taipei-based Chinese National Association of Industry and Commerce (CNAIC) said Saturday [11 August] that a total of 130 investors have registered to attend a CNAIC-sponsored symposium on mainland investment via Singapore to be held next Tuesday.

The figure, which is much more than the originally-estimated 30, surprised the sponsor, the officials noted.

Meanwhile, CNAIC Chairman Jeffrey Koo, who recently called on Taiwan manufacturers to look beyond Mainland China as their overseas investment destinations, is currently on a visit to Singapore.

The officials, however, were mum on the purpose of Koo's trip.

Under current rules and regulations which still ban direct trade and investment ties across the Taiwan strait, Taiwan investors will be required to seek another third place as the springboard for indirect investment in Mainland China once Hong Kong reverts to mainland rule, they elaborated.

Against this background, they said, Singapore which has signed investment guarantee agreements with both Taiwan and the mainland will be the best "third place" for Taiwan investors.

Noting that a number of domestic investors have shown keen interest in Singapore's investment climate, they said some have already established holding companies in the Southeast Asian country in preparation for indirect investment in Mainland China.

Mayor Seeks City Ties With Warsaw, Sofia

*OWI108130995 Taipei TZU-LI WAN-PAO in Chinese
9 Aug 95 p 2*

[FBIS Translated Text] In late August, Taipei Mayor Chen Shui-pien will attend a meeting of the International Union of Local Authorities [IULA], a major UN liaison organization, to run for election to become an IULA executive committee member. In addition, he will also travel to Eastern and Southern Europe to establish sister-city ties with Warsaw, the capital of Poland, and Sofia, the capital of Bulgaria, making this trip a tour of intention to break through the Chinese Communists' suppressions and to promote city diplomacy.

The IULA, which maintains close ties with the UN, is a major international organization. The IULA has over 100 members from cities and capitals of some 90 countries worldwide.

At present, the IULA has six chapters — the Asia-Pacific, the Latin American, the African, the North American, the Mediterranean and Middle East, and European chapters. Chen Shui-pien has succeeded Huang Ta-chou, former mayor of Taipei, as the IULA Asia-Pacific chapter's vice chairman and an IULA executive committee member. In the face of possible suppressions from the Chinese Communists, Chen Shui-pien intends to run for re-election.

Mayor Chen will set out on 29 August. India's Bombay, which is unfriendly to our country, is the first leg of the tour. Later, Mayor Chen will leave for Europe's The Hague to attend an IULA meeting to run for election to become an executive committee member. Mayor Chen will then travel to Poland and Bulgaria, which have no diplomatic ties with our country, to establish sister-city ties with their capitals. This tour is of extraordinary significance, since these two cities maintain close relations with the Chinese Communists and Chen Shui-pien is scheduled to meet government officials during this visit.

'Substantive' Ties With ASEAN Remain Unchanged

*OWI408034195 Taipei TZU-LI WAN-PAO in Chinese
31 Jul 95 p 2*

[By reporter Yu Hui-jian (2456 1979 1017)]

[FBIS Translated Text] Taipei — Leng Juo-shui [Rock Leng], spokesman for the Ministry of Foreign Affairs, indicated that, while the Republic of China [ROC] has yet to start a dialogue with the ASEAN, bilateral dialogues with individual ASEAN members were established long time ago, and that ROC's substantive ties with the Southeast Asian countries remain unchanged even though there are more formalistic restrictions on contacts with them owing to the greater pressure from the Chinese Communist authorities.

Residents Mark Anniversary of Victory Over Japan

*OWI408024795 Taipei CNA in English
0214 GMT 14 Aug 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Aug. 13 (CNA) — Several thousand people joined a rally in downtown Taipei on Sunday to mark the 50th anniversary of the victory over Japan in World War II and Taiwan's retrocession from Japanese rule.

Those joining in the rally, dubbed "I Am Chinese," set off in the morning from Chiang Kai-shek Memorial Hall and paraded through several main streets before arriving at Sun Yat-sen Memorial Hall, where more than

10,000 people gathered to pay tribute to the Chinese who sacrificed their lives to defend the country during the war.

Former Premier Hao Po-tsung, speaking in front of Chiang Kai-shek Memorial Hall, urged the public to denounce Taiwan independence with their votes and also called on ROC [Republic of China] citizens to protest against Beijing's recent military threats, saying that only by securing a safe and united Taiwan can the peaceful unification of China be made possible.

Hao said the 21 million people in Taiwan, all beneficiaries of the victory over Japan 50 years ago, should feel proud to be Chinese.

The rally, organized by New Tung Meng Hui, a political society, also attracted a great number of political figures, including Chinese New Party [CNP] Secretary-General Jaw Shao-kong, CNP legislators Li Ching-hua and Chen Kuei-miao, and KMT [Kuomintang] legislator Wei Yung.

Development of Industrial Parks Promoted

*OWI408030695 Taipei CNA in English
0221 GMT 14 Aug 95*

[By Danielle Yang]

[FBIS Transcribed Text] Kaohsiung, Aug. 13 (CNA) — The Ministry of Economic Affairs is speeding up the development of "intelligent" industrial parks to meet the government's goal of transforming Taiwan into a high-tech island, Economics Affairs Minister P.K. Chiang said Saturday [12 August].

Chiang made the remarks while speaking at a seminar here explaining the government's proposal to develop a system of industrial parks in line with Taiwan's economic-development blueprint.

The intelligent industrial parks, part of the government's plan to build Taiwan into an Asia-Pacific business-operations hub, will be able to use the latest information technology in establishing hardware facilities and providing information software services.

The parks will be able to attract high value-added industries, Chiang noted.

Chiang said the government has offered cheap land prices to encourage the building of industrial zones over the past 30 years, therefore fueling investment willingness and Taiwan's economic growth. In the past few years, the transition toward making industrial parks more "intelligent" has taken hold, he added.

The intelligent parks will also offer multifunctional work environments that encompass information, administration, banking, management, and leisure activities, Chiang said.

He said that based on the experience of other countries and on the opinions of experts, research parks, science-based parks, high-technology parks, aviation parks, and

expertise parks are the types of industrial parks that are most suitable for Taiwan.

The ministry plans to develop 17 intelligent industrial parks with a total land area topping 3,300 hectares around the island, he said.

Hong Kong**Zhou Nan Says Lu Ping 'Recuperating Well'**

*HK1108040095 Hong Kong TA KUNG PAO
in Chinese 11 Aug 95 p A1*

[Report: "Zhou Nan Talks About His Visiting Lu Ping"]

[FBIS Translated Text] The health of Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, has long been a matter of public concern. Zhou Nan, director of XINHUA News Agency Hong Kong Branch, clarified anew Lu Ping's condition in a public occasion on 10 August [location not specified], saying that he had most recently visited Lu Ping and talked with him for an hour or so, and even met with doctors and the director of the hospital.

Zhou Nan said Lu Ping was recuperating well [kang fu de hen hao 1660 1788 1779 1771 1170] and would probably recover fully after a period of time [guo yi duan shi jian 6665 0001 3008 2514 7035], stressing moreover that Lu Ping would return to work completely and not partially. As to when Lu Ping would be genuinely recovered [zhen zheng kang fu 4176 2973 1660 1788], Zhou said that it would all depend on the doctor's instructions.

Martin Lee To Apply For Mainland Visa

*OW1308050495 Hong Kong SOUTH CHINA
MORNING POST in English 13 Aug 95 p 1*

[By Gren Manuel]

[FBIS Translated Text] Politician and barrister Martin Lee Chu-ming will apply for a visa for China tomorrow — a move that could embarrass mainland authorities and hurt their hopes of hosting international conferences should they refuse him.

If the visa is approved, it would be the Democratic Party chairman's first visit to Beijing since the Tiananmen Square massacre in 1989.

The application will be the latest move in a battle between seminar organizers LawAsia and the Chinese authorities, who want the right to vet the delegate list and censor papers given at this week's biennial conference.

LawAsia president, Malaysian barrister Param Cumaraswamy, yesterday said he had originally intended boycotting his own conference in protest at a threat to ban Mr Lee, but had changed his mind. He said: "I am insisting that Mr Martin Lee's application to register...should be treated in the same way as any other lawyer applying to register at this late stage."

Mr Lee, who was presented the American Bar Association's International Human Rights Award last week,

said: "I am encouraged by the strong stance taken by Mr Cumaraswamy and I will be applying formally first thing Monday."

The row has attracted widespread interest, partly because of fears that Chinese authorities may take similar measures to control the United National World Conference on Women in Beijing next month.

It came despite assurances from China Law Society that there would be no interference in freedom of expression.

Mr Lee, a LawAsia member, was officially invited to the conference.

But before he could apply, Zou Yu, the head of local coordinating body the China Law Society, said there was "no place (at the conference) for people like him" because he was a core member of the "subversive" Hong Kong Alliance in Support of Patriotic Democratic Movement in China.

Mr Lee yesterday said his home visit visa had expired. But he holds a letter of invitation to the conference which delegates have been told is enough to have a visa issued on presentation. Ironically, that letter is signed by Mr Zou.

In addition, it emerged yesterday that the China Law Society has objected to a paper by Professor H.P. Lee of Monash University in Australia which won its another a LawAsia scholarship worth A\$5,000 [Australian dollars] (about HK\$28,700).

Mr Cumaraswamy yesterday said this was not only a violation of LawAsia's ideals but "a violation of Article 19 of the Universal Declaration of Human Rights".

Professor Lee's paper was entitled Constitutional Values in Turbulent Asia and the China Law Society alleged it "contained scandalous remarks on certain Asian leaders".

After discussions with LawAsia, the number of cuts have been reduced to two. Only the censored version is being distributed to delegates. Professor Lee is not attending the conference.

LawAsia, the only law body covering the Asia-Pacific region, has a strong interest in human rights.

The Hong Kong Bar Association and the Law Society are both members, as are many local lawyers.

The Hong Kong Government is sending nine delegates to the conference at a cost of \$153,000.

They are led by Solicitor-General Daniel Fung Wahkin, who said when Mr Lee's ban was revealed it was "a matter for LawAsia and the Chinese authorities".

Editorial Urges Mainland To Grant Visa

HK1408075795 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 14 Aug 95 p 16

[Editorial: "People's Travelling Rights"]

[FBIS Transcribed Text] Martin Lee Chu-ming, a local politician and leading barrister, will apply for a visa to China today. Beijing should not hesitate in granting him one. Such a move not only will be reassuring to Hong Kong people but will also bolster China's increasingly open and sophisticated stature worldwide.

Mr Lee needs a visa to attend the Law Asia conference in Beijing this week. His home visit permit, which would have allowed him to travel in China without a visa, had expired. Perhaps it is irrelevant what kind of travel documents he possesses: Beijing already has warned him that he is persona non grata.

Zou Yu, the head of mainland's co-ordinating body, the China Law Society, which helped organise the Law Asia conference, insisted there was "no place (at the conference) for people like him" because Mr Lee was a core member of the "subversive" Hong Kong Alliance in Support of the Patriotic Democratic Movement in China. Mr Lee resigned from all posts with the movement in 1990.

Law Asia officials have protested against the ban, contending it is in violation of the legal body's ideals and human rights.

Mr Lee's views on democracy and the rule of law may not be music to senior cadres' ears. But his right to express an opinion must be respected. Hong Kong people remain wary not so much about Beijing's vindictiveness of his past involvement with China's democratic movement as their liberties of travel within and outside their own country after 1997.

What harm can Mr Lee do in meeting his legal counterparts from Asia in the Chinese capital? Very little. But allowing him to travel in China will significantly boost confidence of Hong Kong people and foreign investors.

Editorial Views Taiwan-Mainland Hostilities

HK1108052295 Hong Kong SOUTH CHINA MORNING POST in English 11 Aug 95 p 16

[Editorial: "Testing Times Again"]

[FBIS Transcribed Text] The sabre-rattling on both sides of the Taiwan Straits begins to take on a worrying degree of permanence with last night's announcement that Beijing plans to conduct another round of missile tests, starting next Tuesday.

Already, this tit-for-tat battle has seen Taipei respond to China's initial missile tests by announcing plans to beef up its military might and conduct its own military exercises in the autumn. Clearly taking this as a sign that President Li Teng-hui remains unrepentant, Beijing now responds with further war games. The only bright note seems to be that this time the tests will, at least, take place further away from the coast of Taiwan.

All the signs are that the cycle of the two sides goading each other into ever tougher responses is likely to continue for the foreseeable future. The People's Liberation Army is reported to want to continue the military pressure beyond the end of September — traditional end of the war games season. Early October is certain to be a tense time as both sides prepare for rival National Day celebrations.

President Jiang Zemin has little to lose from continuing the sabre-rattling. International condemnation of the last missile test was relatively mild: even Washington preferred to concentrate on repairing its relations with Beijing, rather than protesting.

Perhaps, most importantly, the panic which the test provoked on the Taipei Stock Exchange has increased domestic pressure on Mr Li to abandon his crusade for greater international recognition of Taiwan — a factor likely to become increasingly important in the run-up to next March's presidential polls.

This means the message from the latest missile test is that China's neighbours should brace themselves for a return to the situation which existed in previous decades — when low-level hostilities across the Taiwan Straits were an unpleasant, but permanent, fact of life.

Editorial Views Tokyo's War Compensation

HK1108061795 Hong Kong SOUTH CHINA MORNING POST in English 11 Aug 95 p 16

[Editorial: "People's Interest"]

[FBIS Transcribed Text] Beijing is putting its diplomatic interests ahead of those of the Chinese people in blocking the campaign for Tokyo to compensate victims of Japan's wartime aggression.

Fifty years after the end of World War II, the suffering of the estimated 200,000 Asian women who were forced to act as sex slaves for Japanese forces remains a deeply emotive issue. In recent years, some have become increasingly vocal in pouring shame on Tokyo for doing so little to atone for the suffering they endured and have scored some striking successes. First, they forced the Japanese Government to acknowledge its military's role in running the "comfort women"

programme. More recently, a private compensation fund has been established, made up of voluntary contributions from the public.

Yet Japan remains disgracefully half-hearted about atonement, especially in refusing to allow state funds to be used to pay compensation.

Sadly, Beijing is tacitly encouraging Tokyo in this stance. Campaigner Tong Zeng's call for reparations is intensely popular, as shown by the 800,000 signatures his petition attracted and the demonstrations in support on the streets of Hong Kong.

But this has not stopped the Chinese Government from trying to block his campaign by confiscating Mr Tong's passport and breaking up his press conference this week. While such behaviour may help to avoid offending Beijing's largest trading partner and aid donor, it is utterly out of line with the mood of the general public in China.

Beijing would be well advised to pay more attention to the wishes of its people on this issue. If it cannot support Mr Tong's campaign, at least it should stop opposing it.

Editorial Views 'Negotiating' With Beijing

HK1408070995 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 13 Aug 95 p 10

[Editorial: "Dealing With the Far-Away Emperor"]

[FBIS Transcribed Text] Dealing with China is always difficult, as almost anyone with any experience of negotiating with Beijing can bear testimony, from Hong Kong businessmen to British and U.S. diplomats.

Most recently, it has been Taipei which has been wrestling with the difficulty of how to handle a powerful China, with many Taiwanese now questioning President Lee Teng-hui's strategy of seeking strength through international links and preferring a policy of conciliation and dialogue with Beijing.

For Hong Kong, the problem is even more pressing. In less than two years' time, the territory will be part of China once more. The British diplomats who still handle most political relations with the mainland will be gone. It will be up to the territory, itself, to fight its corner and press its case with Beijing.

The British experience offers some instructive lessons in how not to behave. Having started with the "kow-tow" line of the sinologists — pioneered by the British former foreign affairs adviser, Sir Percy Cradock — the British veered to the opposite extreme with Governor Chris Patten's "bull in a China shop" approach over his political reform package. Neither line had much success in dealing with a government which puts so much

store by consistency. It remains to be seen whether the more moderate approach, which has begun to emerge following the Court of Final Appeal accord, will prove any more successful.

Nonetheless, some of the departing British have offered some useful thoughts on life after 1997. The gloomy warning by the former British Ambassador to Beijing, Sir Robin McLaren, that Hong Kong should sacrifice "three per cent of the freedoms you enjoy in order to be able to insure you keep the other 97 per cent" has the ring of truth to it. Few can doubt that, if the territory is to prosper after the handover, local politicians will have to recognise that "one country two systems" works both ways, and stop protesting about human rights violations on the mainland.

Also of relevance is one of Governor Patten's favourite maxims: "If we are not prepared to stand up for Hong Kong's way of life today, what chance of doing so tomorrow?"

Even among local leftists, few deny that there will be many occasions after 1997, when Hong Kong has to fight its corner against Beijing. Some will want to do this in the international arena or on the streets — especially the democrats who will by then, have been shut out of any meaningful role in the political process. Others will advocate persuasion and try to lobby behind closed doors.

The most important thing will be to have the Special Administrative Region Government firmly on Hong Kong's side. That will not be easy since China may pick its principal officials according to their loyalty to the central government. Beijing may also bring in its own representative to oversee the territory — the Hainan Governor and party chief, Ruan Chongwu, is already being tipped for this post. But the hope should be that, in time, even the most ardent of cadres will be seduced by the allure of the local lifestyle, and "go native".

If that happens, Hong Kong — with the support of its post-1997 administration — will need to try to cultivate all the friends it can in Beijing. Shenzhen does this by using a special slush fund to offer lavish wining and dining — a tactic the territory may well have to adopt after the handover. Dangerously much depends on one man. The intricate understanding of how the territory works which the Hong Kong and Macao Affairs Office director, Lu Ping, has built up makes him generally recognised to be the best hope for protecting Hong Kong's interests within Zhongnanhai. But Mr Lu's health is so poor that it is doubtful if he can remain in office through the handover.

Ultimately, Hong Kong's chances of finding an effective way of handling Beijing through 1997 and beyond rest on learning to deal with the central government in the same way as other provinces and municipalities in China do. That means currying favour, keeping your head down, and wherever possible — pushing ahead with local projects without waiting for Beijing to object.

As the experience of Guangdong has shown, the ancient saying about "when the mountain is so tall and the emperor is so far away" still holds true, to the extent that the southern provinces of China can get away with defying their northern rulers far more successfully than Hong Kong has ever managed to do towards London under British rule. If the territory wants to do likewise after 1997, it is high time that local politicians began focusing their minds on the matter.

Editorial Views Approach to Taiwan Issue

HK1408070195 *Hong Kong HONGKONG STANDARD* in English 12 Aug 95 p 12

[Editorial: "Missile Tests Could Backfire on China"]

[FBIS Transcribed Text] Beijing is once again rattling its sabre by announcing more missile tests in the Taiwan Straits. The exercise is bound to raise the temperature in this already tense waterway, which separates the mainland from Taiwan.

What useful purpose can be served by exacerbating the situation in this way? Just who is China trying to frighten with its muscle-flexing? Is this military posturing aimed solely at Taiwan? Or is Beijing trying to impress its ASEAN neighbours who covet the Spratly Islands?

And is Taiwanese President Lee Teng-hui the real target of these blunderbuss tactics? Beijing seems to have a fixation about undermining his position. But there are at least two reasons why any attempt to get rid of Mr Lee could backfire on China. For one thing, he might be replaced by someone the mainland regards as even worse. For another, Beijing's bully-boy strategy may generate sympathy on the island for him.

Some observers believe the timing of the missile tests is calculated to show Americans, and the world at large, that China now occupies a position of strength in its dealings with other countries. There is evidence the hardliners, who appear to have the upper hand in Beijing at present, are anxious to get this message across.

It is unfortunate that cooler heads have not prevailed. All it would take would be a misjudgment on Beijing's part to start another war in the region. And that is something that nobody — least of all China — can afford.

One may also wonder whether Beijing has given sufficient consideration to the economic ramifications of these tests. China has frequently stressed its desire to maintain prosperity and stability in this territory. It has also accused the British of trying to undermine the Hong Kong economy. But these missile tests have created jittery markets here as well as in Taipei. Since Taiwan and Hong Kong are part of Greater China, Beijing should want to see economic stability in both places. Businessmen from both places have also invested heavily in China. It can hardly be in Beijing's best interests to do anything that would adversely affect those investments.

And there is another dilemma facing the mainland. If Beijing adopts a tough stance toward Taipei it may drive Taiwan away and fuel sentiment there for independence. If it appears too accommodating however, pro-independence factions in the island may believe they have been given carte blanche to promote their cause. The best move Beijing could make would be to resume face-to-face negotiations with Taipei over civilian exchanges and start talks on direct communications. This could then pave way for reunification.

While many Taiwanese are anxious to strengthen their own identity, reunification is still a widely desired goal on both sides of the Taiwan Straits. We must hope that common sense will prevail and that China will give up its "war-war" stance in favour of the "jaw-jaw" option.

Possible Responses To PRC Maneuvers Studied

HK1408071095 *Hong Kong EASTERN EXPRESS* in English 12-13 Aug 95 p 10

[Editorial: "Taiwan Must Face Bullies of Beijing"]

[FBIS Transcribed Text] Interpreting China's inscrutable behaviour is sometimes impossible. Beijing claimed after its first round of missile war games ended on July 26, two days ahead of schedule, that it had achieved its aim of sending a tough message to Taiwan that Beijing would not tolerate Taiwan's independence.

Now Beijing has changed its mind. The announcement that it will launch another 10-day guided missile and artillery manoeuvre near Taiwan, to start on Tuesday, indicates another lesson is needed for Taiwan after an undaunted President Lee Teng-hui said Taiwan had to consider manufacturing a nuclear weapon.

China's latest move has caused a greater furore in Taiwan than the last one. In particular, fishermen are angry because they will suffer further economic losses.

Despite the opposition New Party's call for Lee to step down to avoid further confrontation with the mainland, Lee still enjoys strong public support.

A number of legislators will present a petition on August 15, the day when the manoeuvre begins, to show Beijing that Taiwan will not bend, and urging Lee to stand in the presidential election next March. Whether Lee will win the election is not in doubt. It only depends on whether he wants to run, and if he does, he will win.

If it is Beijing's intention to get rid of Lee by means of firing another round of empty missiles, it is doomed to fail. Even if Lee decides not to run, any alternative would not curry Beijing's political favour. The New Party, which advocates the concept of reunification and opposes Taiwan independence, has only a minor influence on Taiwan's politics and is unlikely to win in the coming decade.

If the Democratic Progressive Party, the main opposition party in support of independence, won, Taiwan would be pushed towards an even worse confrontation with the mainland. Any other candidate from the ruling Kuomintang would only be a puppet, propped up by Lee. Lee will remain the most powerful man in the party whether or not he bears an official title like China's Deng Xiaoping.

China's missiles will, therefore, not serve any purpose apart from perpetuating its belligerent image in the region. For Taiwan, if it wants to become the Israel of East Asia, it must not lose its nerve in the face of any military pressure, but carry on with its course of strengthening its defence by updating its weaponry as soon as possible.

This is the only answer to Beijing's bullying tactics.

Official Demands Beijing Say in Forex Spending

HK1108052195 Hong Kong SOUTH CHINA MORNING POST in English 11 Aug 95 p 6

[By No Kwai-yan and Linda Choy]

[FBIS Transcribed Text] Principal officials-designate of the Special Administrative Region (SAR) government should have a say on how Hong Kong's foreign exchange fund is invested before 1997, a Chinese official said yesterday.

The statement follows the Government's announcement on Wednesday on the updated status of foreign exchange reserves, which stood at US\$53.6 billion (HK\$414 billion), a nine percent rise on reserves at the end of 1994.

The director of the Research Department of Xinhua (the New China News Agency), Yang Huaji, yesterday attacked the Hong Kong Government, saying not only had China not been given details of the fund, but

the future government of the SAR had no say on its operation .

"The Hong Kong Government should discuss the management of the fund with the principal officials designate when they appear next year," he said. "Not just for the right to know, but [the designates] should participate in the investment decision-making. Otherwise what can we do if there are bad debts?"

China has representatives on the Foreign Exchange Fund Consultative Committee, but he said China did not just want consultation — it wanted the right to decide on investment policy. It was extremely important for the SAR government to understand the fund's operation, as it was the main factor stabilising the Hong Kong dollar, he said. But China had too little information about the fund. What was published in the Government's annual report was not enough, said Mr Yang.

Chinese representative on the Joint Liaison Group (JLG), Chen Zuo'er, also demanded that Britain lodge more details with the mainland.

Meanwhile, the JLG meeting on the discussion of the transfer of government assets to China would be held soon, Mr Chen said. He emphasised that government assets were an important part of transfer of sovereignty, which both sides were responsible for discussing before the handover. Foreign exchange funds were a vital floating asset of the Government, he said. The matter should be fully discussed before the transfer.

Mr Yang also hit out at the Hong Kong Government for refusing to submit information on its floating assets as well as those related to government-owned companies. He demanded that detailed information on the financial situation of the Land Development Council and the Mass Transit Railway Corporation, both fully owned by the Government, be handed to the future SAR government. Details should also be given on the amount of bonds issued overseas, Mr Yang said.

"They should be handed to the future ruling body of Hong Kong to allow them to grasp a better understanding of the whole [financial] situation," he said. "Everyone but the Government knows by common sense that the two companies are owned by the Government, they have never mentioned that in their briefings."

Board Member Views Capital Punishment

HK1108061595 Hong Kong HONGKONG STANDARD in English 11 Aug 95 p 3

[By James Kelly]

[FBIS Transcribed Text] The death penalty should be reinstated to combat drugs trafficking in Hong Kong, a

member of the government's anti-drug advisory board says.

The call came from Action Committee Against Narcotics (Acan) member Justein Wong Chun who is frustrated by the level of sentences being handed down by the courts.

The death penalty was repealed in 1991. The last hanging was in 1966 for murder. When the law was taken off the statute books, 40 prisoners on death row had their sentences commuted to life imprisonment.

"The death penalty should be reintroduced for drugs trafficking, especially for those who use young people," Mr Wong said. The urban councillor said trafficking was an insidious crime which was destroying the lives of many young people in Hong Kong.

"Even if the law allows for life sentences it doesn't necessarily mean life sentences, it could mean two years," he said.

Other Acan members shared Mr Wong's concern about sentences meted out to drugs traffickers but stopped short of supporting his call for the reintroduction of the death penalty. It is understood Acan has not discussed the issue.

About a year ago, the then chairman of the Local Inspectors Association, Robert Chau, was reprimanded by senior police for lobbying Beijing to reinstate the death penalty after the transfer of sovereignty in 1997.

China, Singapore and Malaysia all execute drugs traffickers.

Senior lecturer in law at the University of Hong Kong, Dr Nihal Jayawickrama, has previously said it is possible that the Special Administrative Region government will consider reintroducing the death penalty if drugs are seen to be a major problem after the handover.

Chief Superintendent Eric Lockeyear declined to comment on whether police would like to see the return of the death penalty, saying it was not appropriate for police to get involved in sentencing.

Commissioner for Narcotics Alasdair Sinclair said the question of whether capital punishment should be part of Hong Kong law went beyond just drug trafficking.

"People would support its reintroduction because they would like to see the problem go away quickly," Mr Sinclair said. "But from the enforcement point of view it's the minor cases that are most likely to go to court."

Among others who have called for the the return of capital punishment is David Chu Y-lin, a member of the Preliminary Working Committee, who reflects the growing support for its return shown in opinion polls.

At a Rotary Club lunch yesterday Mr Wong also suggested a reform to the vice ordinance to allow police to apply for court orders to close pharmacies found illegally supplying prescription drugs.

On Tuesday, two nurses were each ordered to serve 170 hours community service for supplying drugs to patients without medical consultation.

"I think this sends out a good message that if you are caught distributing drugs wrongly you will be penalised," Mr Wong said.

Pro-Beijing Groups Field Numerous Candidates

HK1408080195 Hong Kong SOUTH CHINA MORNING POST in English 14 Aug 95 p 6

[By Linda Choy]

[FBIS Transcribed Text] The pro-China camp has launched a full-scale challenge against the Democratic Party in the Legislative Council [Legco] election, with about 30 candidates signed up before the close of nominations today.

Leading pro-China flagship, the Democratic Alliance for the Betterment of Hong Kong (DAB), alone has fielded 14 candidates. There are three candidates from the pro-China business group Hong Kong Progressive Alliance and four from the Liberal Democratic Federation. The rest are members of the Federation of Trade Unions (FTU), China's advisory bodies, and the Preliminary Working Committee.

The Democratic Party is fielding 22 candidates, 15 in the geographical polls. Two more, Yuen Bun-keung and Alan Tam King-wah, are expected to register for the Election Committee and Regional Council seats today. With the registration of a founding member of the former United Democrats, Tam Tai-on, as a contender for the New Territories Central seat this morning, all the geographical seats will be contested.

Democrats in three constituencies are challenged by DAB heavyweights. Democratic Party vice chairman Yeung Sum will face the DAB's Gary Chen Kai-nam in Hong Kong Island South. In Kowloon Southeast, Fred Li Wah-ming is up against the DAB's Tam Yiu-chung, former FTU representative in Legco. The DAB's Chan Yuen-han, who lost marginally to the Democrats in 1991, is back to challenge Mak Hoi-wah, a first-time candidate.

The strong pro-China presence comes despite China's aim to dismantle the three-tier political structure in 1997. Chinese officials have made remarks encouraging local patriots to participate in the elections.

DAB chairman Jasper Tsang Yok-sing will fight first-time candidate Bruce Liu Sing-lee of the Association for Democracy and People's Livelihood (ADPL) in Kowloon Central. Incumbent Martin Lee Chu-ming, the biggest winner in the 1991 election, is challenged by Choy So-yuk of the pro-China Hong Kong Progressive Alliance.

In the Election Committee election, the Democrats and the DAB are almost sure to win two seats each, with another seat going to the ADPL's Law Cheung-kwok. Other contestants include PWC members Ambrose Lau Hon-chuen, David Chu Yu-lin and Lo Suk-ching.

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